



EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS

ANNUAL REPORT

MORE THAN A BANK, A CO-OPERATIVE BANK



The voice of 4200 local and retail Banks - 50 million Members - 176 million Customers
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INTRODUCTION

The European Association of Co-operative Banks is an international non-profit association which was founded in 1970 and is based in Brussels. As the voice of co-operative banks in Europe and more recently at international level, it is a leading trade associations in the financial sector, representing 28 national associations and their member banks. The co-operative banking sector contributes significantly to growth, stability, and to the competitiveness of the European banking industry at a local and regional level. Moreover, in the unique context of the financial crisis, this sector demonstrated its robustness and resilience, as well as its ability to act as a key driver for economic recovery at the local level*:

- Co-operative banks serve more than 170 million customers
- Co-operative banks are mutual banks, owned by their 50 million members
- Co-operative banks share common values and foster local development and entrepreneurship through their 4,100 member banks and 65,000 branches
- Co-operative banks adhere to 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 strong performance is a result of their strong focus on retail banking, solid capitalisation, and their high-quality credit portfolio
- Co-operative banks strongly believe that their customer-oriented business model benefits Europe, its banking system, its SMEs, its consumers and its economy.

*The following reported figures are as of December 31, 2008

PRESIDENT'S ADDRESS



The financial crisis of 2007-2009 has shaken the global financial system to its very foundations. Many banks incurred losses and had to write down substantial amounts worldwide. Government interventions and extraordinary support measures were necessary in order to safeguard financial stability and avoid a credit crunch. Co-operative banks with their characteristic strong focus on customers and members, long-term orientation and unique capital and governance structure operate on the basis of a business model that is different from the mainstream banking model. The primary purpose of a co-operative bank is to promote its members economic interest rather than to generate maximum profit for the shareholders. Thus the 4.100 co-operative banks in Europe are mainly focused on traditional retail banking and serving households and SMEs. Their long-term approach and solidity have revealed an important asset to the financial system in these turbulent times as they contributed sustaining the real economy at local level, acting as a key driving force to the recovery.

In this context of unprecedented global economic instability, lack of trust and liquidity crisis, during 2009 policy makers have strongly intervened with a wave of regulatory initiatives, be it at the level of Financial Stability Board, G-20, Basel Committee and European Union, aimed at improving the regulatory and supervisory framework for banks. Despite recognising the importance of concerted actions to restore confidence and ensure a good functioning of the banking system; co-operative banks have underlined the importance of avoiding “regulatory activism” resulting in inappropriate or overly burdensome rules in line with “better regulation principle”. In particular the members of the EACB have insisted on a careful consideration of specific characteristics of the shares of co-operative banks when reviewing the definition of capital both in the context of IFRS (accounting) and of prudential banking supervision. The same goes for corporate governance measures. Decision that do not respect co-operative specificities might trigger excessive need for more capital for banks that are fundamentally safe and have passed the test of the crisis. Diversity of the European banking industry contributes to the stability of the financial system. In this respect “*Equal treatment does not mean uniform treatment but non-discriminatory treatment which recognizes the distinct character of cooperative banks*”. This is the “raison d’être” of the EACB, our Association in Brussels.

At the start of a new era for the EU, with new Institutional settings after the adoption of the Lisbon Treaty, a renewed Parliament and a new Commission and its 2020 Agenda, co-operative banks intend to give impulse and continue contributing to shaping EU policies.

This report is rich in information on the EACB's activities and the main achievements of the Association. I would like to thank all my fellow co-operative bank or national federation directors, the two vice presidents, Jean-Marie Sander and Gerard Hofmann and of course Hervé Guider and the staff of the secretariat for their intensive work to the benefit of the 28 co-operative banking groups that compose the EACB.

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 the EACB focused on in 2009 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 are the consultations launched by the Basel committee on Banking Supervision (BCBS) and CEBS in December 2009. One of the main concerns of this Association is related to the definition of capital and the recognition of cooperative share as Core Tier1 capital. Regarding the Basel Committee's consultation document, cooperative banks regret that the predominant form of Tier1 capital must be "common shares". Indeed, it is reminded that the plurality of the banking industry is an asset for the European economy. However, this Association welcomes the note referring to the specific constitution and legal structure of cooperative banks and demands a clear and definitive recognition of co-operative capital instruments as Core Tier 1 capital. Moreover, cooperative banks are also involved in the review of the CRD2 and have expressed their concerns such as the extension of the Basel1 "floors". In addition, the EACB has already drawn the attention of the regulators concerning the review of the EU rules on Deposit Guarantee scheme, and the coming discussion at the EU level related for instance the definition of a leverage ratio, liquidity ratio in line with the G20 conclusions. Before proposing any new legislation, cooperative banks require relevant impact assessment at the micro and macro level to measure the consequences on the real economy. As regards the discussion on the reshaping of the supervision in Europe, the major concern of EACB is that the new structures are efficient, do not lead to a duplication of obligations and do not lead to disadvantages for co-operative banks and their very specific structures. In this respect an appropriate representation of co-operative Banks in the stakeholder panel and expert groups has to be ensured.

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 in close cooperation with Cooperatives Europe. Moreover, co-operative banks took part in the discussions on the review of IAS 39(IFRS9). The EACB thinks that there is no need to rush the endorsement of the first phase of IFRS9 in Europe until clarity over hedge fund accounting, impairment and liabilities treatment is achieved.



SEPA

Co-operative banks support the SEPA project and the EACB is proud to note that more than half of the banks participating in the SEPA Credit Transfer and SEPA Direct Debit schemes come from cooperative banks networks. However, the EACB also considers that not allowing default multilateral interchange fees to support the offering of SEPA Direct Debits, discriminates debtor banks (of which a lot are cooperative bank) compared to creditor banks. Finally, the EACB welcomes the setting up of the SEPA EU Council as announced by the European Commission and the European Central Bank and expects to play a key role in this new body in order to make SEPA a success.

FINANCIAL MARKETS

Co-operative banks are local and regionally rooted, moreover they have a strong foothold in retail banking and as such they are important actors in the financial market value chain. Any decisions concerning the functioning of the financial markets the harmonisation of financial products and the rights and obligations of/towards customers can have an important impact on them. For these reasons, the EACB has been involved in various consultations with European regulators. In particular, co-operative banks welcome progress made in the review of the prospectus directive and has taken note that some of its request found their way in the amendments proposed by the EU Commission. It also welcomes the interactive way in which the Commission is handling the discussions on Packaged Retail Investment Product.

CONSUMER AFFAIRS

Well known as customer champions since the survey of Oliver Wyman, co-operative banks are deeply concerned with initiatives aiming to enhance the protection of the consumers in the field of financial services. In this respect, they are paying a lot of attention to the implementation of the "Common Principles on bank account switching" adopted by the banking industry. But, the EACB had to be very critical with regards to the Commission staff working document on retail banking fees and the related communication. Indeed, the methodology used raises questions and undermines the findings and their interpretation. Co-operative banks call for constructive dialogue with the EU Commission and all stakeholders to pave the way for a mutual and shared understanding of the respective interests. Indeed standardisation is not the right answer for consumer policy issues and co-operative banks have always defended the need to look for local solutions.

COMMUNICATION AND RESEARCH

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 Association has worked on two surveys: a first one on Corporate Social Responsibility that presents the best practices of EACB member organisations and shows how they fulfill their responsibilities on their respective local and regional environment. In addition the EACB Think Tank members in cooperation with economists from our member banks have delivered a survey on the resilience of co-operative banks during the crisis. Finally, to highlight the strong links between co-operative banks and SMEs, the EACB has supported the 2nd SME's forum where co-operative bankers and SME's representatives have exchanged about potential impact of new regulation on co-operative banks and the consequences on financing for SMEs. Moreover, the secretariat general attended as guest speaker conferences and workshops in Europe and outside the European Union to explain the added value of the cooperative banking model and to raise awareness on their role as one of the main financial services provider at the local and regional level.

Hervé GUIDER, *General Manager*



ABOUT THE EACB (International Non-Profit Association)

OUR ROLE

The EACB Mission Statement:

The EACB is committed to representing, 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 at local level. To this end, the Brussels-based association provides information and advice, and ensures that the voice of the co-operative banks is represented in the dialogue between European institutions and stakeholders.

Working With Decision-Makers

The EACB supports a legislative and regulatory framework based on better regulations principles that accommodates the co-operative banks business model; it voices the unique characteristics 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 the values of the co-operative business model in European and international institutions. Central to these values are the principle of democracy - with the principle of "one person-one vote" at its core materialized by the co-operative share; a strong commitment to social values; and proximity links with 65,000 bank branches.

Commitment

The EACB is fully committed to defending and promoting the unique qualities and values of the co-operative banks on behalf of its members in the European and International institutions. It is recognized as the official voice of co-operative banks at European and International level by policy makers and regulators.

Delivering Value-Added Services

Through its conventions, workshops, seminars, publications and information, the EACB provides its members and other co-operative organisations with the tools to increase their awareness and knowledge of European issues, keep them up to date with legislative and regulatory developments and offer them a platform to develop co-operation.

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 the Association to defend their interests and this is the binding principle that drives the activities of the Secretariat and the members' representatives in the various EACB bodies. This mutual trust is a key component of lobbying efforts. In addition, the EACB supports the code of conduct on lobbying and it is registered in the EU lobby register.

Efficiency

The EACB is a leading professional lobbying organisations in the banking industry in Brussels. The expertise and professionalism of its staff allows to make relevant contributions in European Parliament committees, in the consultations of the European institutions, in EU expert panels and in other relevant hearings. We provide a high quality, credible voice for our 4,100 member banks.



EACB RESPONSES TO REGULATORY INITIATIVES ARISING OUT OF THE FINANCIAL CRISIS

The financial crisis has led to a dramatic increase of regulatory activities. While co-operative banking networks were less hit by the crisis and have proven to be rather resilient, they are not less affected than any other bank by the wave of regulation that was launched.

BANKING SUPERVISION

Basel and CEBS Regulatory package

During the past year there have been two significant developments in the field of Banking Supervision. These were related consultations launched by the Basel Committee on Banking Supervision (BCBS) and CEBS in December 2009.

In line with the initiatives of both the Financial Stability Board and the G20, the Basel Committee published for consultation key measures to produce a more robust supervisory and regulatory framework for the banking sector. The consultation, which runs until April 2010, proposes strengthening the global capital framework and the risk coverage of the Basel II framework, the introduction of a leverage ratio in addition to the risk-based ratio of Basel II and a new framework to address excessive cyclicality. In addition, the Committee proposes measures to increase the resilience of internationally-active banks to liquidity stresses across the globe, as well as increasing international harmonisation of liquidity risk supervision.

The EACB has been closely involved in the work of the Committee since the measures were announced in September 2009. One of the main concerns has been that the measures which intend to raise the quality of the Tier 1 capital base would lead to a new definition according to which co-operative shares could no longer be considered as Tier 1 capital. The consultation document published in December takes into account the specific characteristics of co-operative banks to some extent. It is crucial that the final measures guarantee a level playing field for co-operative banks when it comes to the Tier 1 capital base.

At the same time, CEBS published its consultation paper on financial instruments to be included in the definition of capital according to article 57 (a) of the Capital Requirements Directive. This is also an important consultation for the EACB, since recognition of co-operative shares as core Tier 1 capital at the European level is at stake. While the consultation paper already reflects some of the EACB's concerns, it will be important to stabilise and consolidate the outcome. The consultation runs until the end of March 2010.

Capital Requirements Directive II

Following the Commission proposal for a Directive amending the CRD (CRD II), the European Parliament and the ECOFIN Council approved a compromise text early last Summer. The directive introduces important changes in some parts of the regulatory framework that imply stricter standards. Co-operative banks welcome the fact that the Directive takes account of and makes provision for the specific situation of co-operative banks. This directive will provide for significant changes in a number of areas, including: the definition of a bank's proprietary funds; large exposures and connected parties; hybrid instruments; reporting formats; Collective Investment Undertakings; rating agencies; securitisation; liquidity risk, etc. With regard to the new definition of capital, the EACB particularly welcomes the explicit mention in Recital 4 of conditions for the recognition of co-operative shares as capital. Nevertheless, the EACB believes that it is important to promote a correct understanding of the recital in the EU, in particular through the CEBS and Basel consultations published in December 2009.

Capital Requirements Directive III

The EACB has also been monitoring the further review of the Capital Requirements Directive (CRD III) and working on the issues that are relevant for co-operative banks. Last year, the European Commission published a formal proposal for a Directive and by the end of 2009, the Council had achieved a common position on the plan. In the European Parliament the issue is under discussion.



While the Commission's proposal has no significant discrepancies with the proposals of the Basel Committee, the EACB nevertheless believes there should be an assessment of the cumulative impact of the wide range of proposals envisaged in the regulatory field. It also strongly advocates aligning the implementation of these measures in the EU with non-EU countries.

As regards remuneration policies, the EACB endorses the Commission's proposal although it highlights the danger that further, more prescriptive guidelines could create distortions. In addition, the EACB is concerned about the two-year extension beyond 2009 of the Basel I "floors", which mandate that capital requirements cannot fall below a certain level when institutions calculate their capital requirements.

Deposit Guarantee Schemes (DGS)

Another important focus for the Association was the review of the EU rules on Deposit Guarantee Schemes. The Directive, adopted in March 2009, aims to improve depositor protection and to maintain the confidence of depositors in banks. A major element of the Directive is to raise the minimum coverage to €100,000 by end 2010, a shorter delay in paying out the guaranteed amount and the exclusion of any 'first loss' of the depositor.

The Directive also foresaw the European Commission preparing a detailed report by the end of 2009 on the appropriateness and financial viability of the increase in the level of coverage. This report is also to deal with other fundamental aspects, such as: the harmonisation of funding mechanisms; possible models for introducing risk-based contributions; the cost and benefits of introducing a European DGS; alternative means of reimbursing depositors; cross-border co-operation between DGS; and the effectiveness of payout procedures. The presentation of the report was postponed until 2010 and it may be accompanied by an amending directive to introduce some of the report's findings.

In order to gather together information for that report, the Commission launched in May 2009 a public consultation. As a result, early in the year the EACB set up a new task force on Deposit Guarantee Schemes in order to respond to the consultation and to closely monitor the legislative process.

Against the background of the current Commission review of the Directive on Deposit Guarantee Schemes, the EACB organised a workshop for members on 16th November 2009. The main purpose of the workshop was to foster understanding between members of the different DGS existing in the Member States and within banking groups.

EUROPEAN SUPERVISION ARCHITECTURE

In September 2009 the European Commission presented an important package of draft legislation to significantly strengthen the supervision of the financial sector in Europe. The legislation is to create a new European Systemic Risk Board (ESRB) to detect risks to the financial system as a whole with a critical function to issue early risk warnings to be rapidly acted on. It will also set up a European System of Financial Supervisors (ESFS), consisting of a network of national financial supervisors working in tandem with new European Supervisory Authorities, created by the transformation of existing Committees for the banking securities and insurance and occupational pensions sectors. There will be a European Banking Authority (EBA), a European Insurance and Occupational Pensions Authority (EIOPA), and a European Securities and Markets Authority (ESMA). By December the Council achieved an agreement on these proposals.

The EACB, while appreciating progress in supervision of cross-border banks, has closely monitored the process. While discussions are dominated by the distribution of powers between European institutions, Member States and their authorities and the new European authorities, the major concern of EACB is that the new structures are efficient, do not lead to a duplication of obligations and do not lead to disadvantages for co-operative banks and their very specific structures. In this respect an appropriate representation of Co-operative Banks in the stakeholder panel and expert groups has to be ensured.



INTERNATIONAL ACCOUNTING STANDARDS

Equity & Liability Distinction: the accounting treatment of Co-operative shares

Following the adoption of the International Financial Reporting Interpretation Committee's note (IFRIC) 2 in 2006, co-operatives shares are classified as equity under the International Financial Reporting Standards (IFRS). However, the convergence process between the US GAAP and the IFRS has re-opened the debate on the classification of co-operative shares. In fact, the original proposals tabled by the US Financial Accounting Standards Board (FASB) conflict with the current situation. In November 2009, the IASB and FASB issued a joint statement reaffirming their commitment to achieve convergence and to complete all their major projects by the end of June 2011. The project will enter into a decisive phase with the publication of the exposure draft expected for the second half of this year.

As a result, the EACB is closely following the IASB and the FASB discussions on *Financial Instruments with Characteristics of Equity*. In a letter sent in May 2009 to Sir David Tweedie, IASB Board Chairman, the EACB expressed its strong support for the Boards' decisions that took into consideration the particular characteristics of co-operative shares. We pointed out that the remuneration of co-operative shares is not fixed, but depends on the Profit & Losses results and the decision of the General Assembly. In case of losses a holder's claim may even be reduced (depending on the amount of retained earnings available, although he has no access to them). In addition, the only financial instruments that give a member the right to vote in the general assembly of a co-operative are shares. These features underline the equity nature of co-operative shares.

Financial Crisis: the Review of IAS 39

In response to the financial crisis, the IASB launched a review of IAS 39 *Financial Instruments on Recognition and measurement*. On November 2009, the IASB published the new IFRS 9 *Financial Instruments* Classification and Measurement of financial assets, first part of the IAS 39 review. Future developments on impairment methodology (phase 2) and hedge accounting (phase 3) are announced for 2010.

The EACB submitted written contributions to the IASB and the European Commission in which a number of technical issues were identified. It also appointed experts to participate to IASB Roundtables and European Commission stakeholders meetings. While co-operative banks think that the new standard is an improvement compared to IAS 39, IFRS 9 still has some shortcomings. Moreover the IASB decision to scope out liabilities from IFRS 9 raised uncertainties on the liabilities treatment. Furthermore, in the context of the convergence, EACB members have concerns to which extent the discussions with the FASB may influence the final standard on those issues. Thus, the members of EACB support the decision taken by the Commission to examine the adoption of IFRS 9 in Europe in conjunction with the remaining developments of the revision of IAS 39 (hedge accounting, impairment and liabilities treatment).



RETAIL BANKING, PAYMENTS, FINANCIAL MARKETS AND THE SOCIAL CO-OPERATIVE RESPONSIBILITY

The larger part of the Co-operative banks' customer base tends to have an economic action radius which is locally and regionally oriented, rather than cross border. Co-operative banks have a strong retail focus and serve their customers through a widely developed network of branches. EU initiatives targeting the provision of retail banking services have important repercussions for co-operative banks as they usually entail measures that might lead to considerable additional costs and administrative burdens at the detriment of services provided to the customers. On the more specific topics of payment services and financial markets, a similar logic applies. Co-operative banks tend to have high volumes of low value payments and are large distributors of retail investment products. Any EU wide measures in these areas have heavy administrative repercussions as a result of the co-operative banks retail orientation.

PAYMENTS

EACB and the SEPA Programme

The EACB supported the launch of the SEPA Core Direct Debit Scheme and the SEPA Business to Business Direct Debit Scheme on 2 November 2009. As a founding member of the European Payments Council (EPC), EACB was proud to note that more than half of the banks participating in these new schemes came from the co-operative banking sector.

The EACB provided comments to the Commission Communication on a Roadmap for SEPA that was issued in September 2009 and listed some six areas where work remains to be done between 2009 and 2012 to help make SEPA a reality. In addition co-operative banks called for a fair representation of the banking industry in the SEPA EU Council. In this respect and as key players in the payment systems, co-operative banks expect to bring their views and expertise in this new Council.

The European Central Bank and payments oversight

In August, the European Central Bank launched a consultation on an oversight framework for credit transfer and direct debit schemes proposed by the Eurosystem. EACB's response highlighted the concerns that the principles proposed by the Eurosystem appear to backtrack from earlier stances taken to strive towards a separation between schemes and infrastructures, which has so far been the basis of the work on SEPA.

Payments Regulation

The first Regulation on cross border payments in euro, which dates back to 2001, was replaced by a revised Regulation on cross-border payments (Regulation 924/2009) which came into force on 1 November 2009, at the same time as the Payment Services Directive (Directive 2007/64).

The new Regulation on cross-border payments applies not only to credit transfers and card payments but also to direct debits. In addition it contains a legal obligation for all banks offering direct debit at national level to be reachable through the SEPA Core Direct Debit scheme. It prescribes what levels and for how long multilateral interchange fees can be charged between banks. This makes the long-term business case for SEPA Direct Debit unclear, in particular for debtor banks.

The topic of interchange was also subject to a separate consultation by DG Competition. EACB outlined its view that not allowing default multilateral interchange fees discriminates against debtor banks compared to creditor banks as they cannot choose to leave SEPA Direct Debit if they find that they cannot make a sustainable business case without interchange.

As for the Payment Services Directive (PSD), it kept the industry expert group that was created at the level of the ECSAs (European Credit Sector Associations) in 2007, very busy. The group was set up to analyse the PSD text, identify interpretation issues that need to be addressed before transposition into national law freezes them, and to address these with the European Commission. Indeed, further to the deliberations in the group,



it was decided to issue a “PSD Guidance document” aimed at giving high level assistance to banks in relation to both the interpretation and practical application of the Directive. This document, which was the subject of a public launch event in September 2009, was very well received by the European Commission.

TARGET 2

TARGET 2 is the new European Real Time Gross Settlement system operated by the Eurosystem. It is in operation since 2008 and provides, as a result of the single technical platform on which it is based, banks with the capacity to centralise their payments back offices and liquidity management.

EACB is part of the working group that was established in 2001 between the three European Credit Sector Associations to scrutinise the functioning of the predecessor of TARGET 2 and to contribute to the development of TARGET 2.

In 2009, the efforts of this working Group concentrated among others, on ensuring that the change management process which was being set-up by the Eurosystem for determining future changes to TARGET 2, would be transparent and democratic. In this context it asked for and was given recognition as a European banking community contact group that should be consulted on changes to be brought to the system. This being so, the working group also devoted a lot of its time to contributing to the changes proposed for the next versions of TARGET 2 (also called release version 3.0 and version 4.0).

FINANCIAL MARKETS

Packaged Retail Investment Products (PRIps)

In April 2009 the European Commission published a communication on its plans to harmonise legislation related to almost all financial products sold to retail clients on a European level. The initiative focuses on rules for disclosures and for the point of sale.

The EACB established from the very beginning a fruitful dialogue with the Commission staff working on the issue by offering the meetings of the financial markets working group as a platform for the exchange between legislators and markets experts from co-operative banks. The intense involvement of the working group led to a detailed position paper that was published in September 2009. The main concern was about a too broad scope of the initiative that would cover also plain standard products like savings accounts. In addition EACB secured two seats for senior experts in a high level workshop at the Commission in October 2009. The Commission will publish legislative proposals on PRIps in the course of 2010.

Regulation of derivatives markets

The default position of major global players in the derivatives business during the financial crisis alerted European and global regulators to a sector that has, up to now, been barely regulated. Initially, the debate focused on the introduction of central clearing for certain types of derivatives and developed during the year to a call for a more transparent environment overall in this area.

EACB took an active approach in this debate in all available fora at the European Commission and European Central Bank level, including high-level presentations at conferences and detailed contribution papers to market consultations by selected experts in the derivatives departments of major co-operative banks.

EACB secured a seat in the high level Working Group on Derivatives at the European Commission, a forum in which the future landscape of the derivatives markets in Europe is being shaped. Concrete legislative proposals will be published by the European Commission - together with the respective consultations - in mid-2010.

Dismantling of the Giovannini Barriers

In the CESAME2 group - an expert forum that deals with the harmonisation of European clearing and settlement processes - EACB is working, together with other banking associations, on the dismantling of one of the so-called “Giovannini Barriers”, namely on markets standards for corporate actions and for general meetings.



EACB chairs the working group that monitors the implementation process for the corporate actions standards. After organising an important workshop with market experts from major European banks in October 2009, the Association published a status report highlighting the many positive developments, which was distributed to a wide range of key stakeholders and legislators in this field. This ensured high-profile input from market experts from European co-operative banks in the post-trading sector.

With respect to the market standards on general meetings, EACB voiced the serious concerns that co-operative banks have with the final draft - such as very costly changes in the IT infrastructure of banking institutions - and urged selected revisions. The negotiations on the final endorsement of these standards will take place in early 2010.

Prospectus Directive (PD)

The review of the PD - which kicked off in 2009 - is a major part of the Commission's programme to reduce administrative costs for companies in the European Union. EACB focused its activities on emphasising the heavy burdens for co-operative banks that publicly offer securities to their own client base or that act as intermediaries for clients buying securities of other entities.

The EACB organised exchanges between the European Commission and EACB experts and published detailed position papers in order to highlight important cornerstones the review should include. EACB secured a seat in a high-level expert forum on the matter, that took place at the European Commission in March 2009. As a result of this work many remarks brought forward by co-operative banks found their way into the amendments proposed by the Commission for the review of the PD. After publication, the European Parliament started to work on this dossier. EACB continued to offer regular briefings with involved members of the Parliament. The final report is expected to be adopted in spring 2010.

Alternative Investment Funds Manager (AIFM)

Following the call of the G20 in 2008 that no market, no player, no product and no territory must be beyond the reach of relevant regulation after the crisis, the European Commission published a proposal for a directive on AIFMs. In contributions to various consultations as well as in direct contact with the Commission, EACB welcomed the more stringent rules for entities that have so far been barely regulated, but we also expressed concerns with respect to some non-alternative products - offered by co-operative banks to retail clients - that would fall under the scope of the AIFM. After the publication of the proposed directive, the European Parliament took over the topic and is currently working on a report that is expected to be adopted in spring 2010. EACB continued its efforts on the matter and submitted proposals for amendments on selected aspects of this initiative to the rapporteur and to other MEPs.

CONSUMER AFFAIRS

Responsible lending and borrowing

In June 2009, the European Commission launched a public consultation on responsible lending and borrowing. In its response the EACB explained how the co-operative governance model, with large decentralised networks and a high degree of local presence, is a practical contribution to responsible lending practices. In this respect co-operative banks question the opportunity of regulating the field of responsible lending and borrowing.

The Association calls for a dialogue with the European Commission and other stakeholders about this topic.

Customer Mobility

In the wake of the agreement on the set of Common Principles on bank account switching, adopted by the banking industry association EBIC, following strong input from co-operative banking experts, the EACB was actively engaged in the work on the EBIC report on implementing those principles.

EACB members were continuously involved in the dialogue with the European Commission and the European Consumers Organisation BEUC, on the implementation of this self-regulatory measure at national level. The Principles were adopted at the national level on 1 November 2009 (except for



one delayed Member State). This unprecedented success received recognition from the European Commission in a press release on the adoption. The EACB will continue its work in this field and will participate in the Common Principles review process in 2010.

Study on Retail Banking Fees

In September 2009, the European Commission published a staff working document (SWD) on the follow-up in retail financial services to the consumer market scoreboard, along with an independent study on retail banking fees. The report provoked a lot of opposition and critics from EACB members and the Association expressed concerns with regard to its methodology and findings. Co-operative banks support initiatives that aim to ensure competition by guaranteeing transparency and comparability of prices. However, they call upon the European Commission to engage in further dialogue with the industry about initiatives in the retail banking sector in order to avoid the dissemination of misleading information to the public, particularly given the importance of this sector in restoring trust in market efficiency after the financial crisis.

Review of the Directive on Distance-Marketing of Consumer Financial Services

The EACB was heavily involved in discussions with the European Commission on the review of the Distance-Marketing of Financial Services Directive and called for the status quo. The Association therefore supports the overall Commission conclusion expressed in its Communication of 20 November 2009 that it is not currently appropriate to propose any amendments to the Directive, in line with the EACB's views.

Anti-discrimination

After the Commission published a proposal for a new directive to implement the principle of equal treatment of people irrespective of religion or belief, disability, age or sexual orientation, the EACB took an active role in discussions with the European Commission, other stakeholders, and consultants responsible for an in-depth study on this issue.

The Association took note of the Commission's approach of having a special provision for the banking and insurance industries contained in the proposal directive, which recognises that age and disability may be valid elements in assessing risk.

CO-OPERATIVE BANKS AS SOCIALLY RESPONSIBLE BANKS (FINANCIAL INCLUSION, FINANCIAL EDUCATION, MICROFINANCE, OTHER)

Financial inclusion

As socially responsible banks, co-operative banks welcomed the launch of the European Commission Consultation on Financial Inclusion, and in its response the EACB highlighted the fact that the notion of social inclusion is enshrined in the very core of the co-operative governance model. Co-operative banks have a long track record of addressing the problem of financial exclusion and will continue to do so.

For this reason the EACB engaged in a dialogue with the consultant responsible for the study on the costs and benefits of policy actions to ensure access to a basic bank account, launched by the European Commission, in the aim of continuing to play a proactive role in this field.

Financial education

Co-operative banks are also focused on ensuring close, long-lasting relationships with their clients/ members, based on proximity and trust. This governance model means that it is important that co-operative banks members/customers are financially well-educated. The EACB has voiced the specificities of co-operative banks in the European Commission Expert Group on Financial Education set up in 2009.

Microfinance

The Progress Microfinance Facility was announced in the Commission's communication *A Shared Commitment For Employment* in June 2009. This facility aims to give the unemployed the chance of a new start and open the way to entrepreneurship for all Europe's citizens. Co-operative banks have long been involved in microfinance in Europe. The EACB welcomes the Commission's proposal for a new European Progress Facility, and considers microfinance to be a powerful instrument for social inclusion and economic recovery.



OTHER

Anti-Money Laundering

Within the framework of the EBIC Anti-Money Laundering Working Group, the EACB has remained in good standing with the European Commission. The Association participated actively in the informal meetings between DG Internal Market and Services and representatives of the financial sector. Issues discussed within this dialogue include: the impact of the financial crisis on AML policy; the difficulties in applying the Third AML Directive; data protection issues; trends and issues related to the application of Regulation 2006/1781 (relating to information on the payer accompanying funds transfers); the follow up to the Basel Committee paper on cover payments; and the changes to the Swift messaging standards. In addition, we were involved in the Financial Action Task Force (FATF) Consultative Forum to discuss proliferation financing issues.

In close co-operation with other European Banking bodies, the EACB continually follows the current work and planned initiatives of FATF to counter the proliferation of weapons of mass destruction. Furthermore the EACB is involved in discussions on supervision of AML compliance related to the creation of a new European Banking Authority.

Social Affairs

During 2009 the EACB continued its active participation to the European Social Dialogue on banking, the dialogue between the ECSAs (EACB, EBF and ESBG) as representative of the employers and UNI Finance as representative of the employees, under the auspices of the European Commission, DG Employment. A communication by the Commission on the reassessment of the European Social Dialogue is foreseen in early 2010 and the EACB together with the two other employers associations will monitor it closely. The EACB has also contributed to the studies by the Dublin Foundation on scenarios skills for the banking sector and the related workshops. The first part of the study commissioned by DG Employment of the European Commission was released in May 2009. The 125 pages report, includes several examples of co-operative banks good practices. In its final recommendations one of the key message is “developing a pluralistic financial system” mentioning explicitly co-operative banks. A follow-up is foreseen in 2010.

Financing SMEs

With an average market share of one third of loans to SMEs across Europe, co-operative banks are one the main finance provider for the sector. This is because, as decentralised network institutions, the typical local clients of co-operative banks are the local entrepreneurs who are often also active members of the local banks. Moreover, from a regulatory perspective, co-operative banks and SMEs often share the same concerns. For this reason the EACB supports a legal and a business framework that is favourable to SMEs in Europe, through measures such as the battle to cut red tape. As a result, the Association has developed closer ties with SME representatives at a European level during 2009. Further possible joint initiatives have been devised and will materialise in 2010.

Moreover the EACB continues to participate to the informal round tables between banks, SMEs, the EIB guarantee funds and venture capitalists, organised by DG Enterprise, European Commission. Their 2009 agenda mainly focused on the financial crisis, the Small Business Act and new measures launched to improve access to finance. In addition the EACB was invited to report about the financial support to SMEs provided by co-operative banks during the peak of the crisis at the high level meeting organized by Commissioner Verheugen in early 2009.

The EACB also took part, often through its members, in the various SME days organised throughout Europe by the Commission.



COMMUNICATION, RESEARCH AND TRAINING ACTIONS

PUBLIC EVENTS

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

Workshop - "The Role of Co-operative Banks in Financing Eco-Innovation"

As in previous years, in 2009 the EACB was an official partner of the European week of Regions and Cities co-organised by the Committee of the Regions (CoR) and the European Commission. Known as Open Days 2009, this event focused on *Global Challenges and European Responses* and took place in Brussels in October. One of this year's themes was Regions and Climate Change and it focused on how Europe can implement sustainable regional development.

Within this framework the EACB organised a workshop on the role of co-operative banks in financing eco-innovation. What made this workshop stand out was its focus on concrete examples of how co-operative banks have fostered local green projects, supporting the green economy through joint initiatives between regional authorities and local bank representatives. As it was said during the workshop "it is in the DNA of co-operative banks to be more 'green' than other kind of banks". The discussions also illustrated how co-operative banks can be a driving force for the change to a more sustainable economy and can have a positive impact on environmental challenges, in particular climate change.

2nd European Forum "Co-operative banks and SMEs"

Building on the success of the 1st European Forum, EACB co-organised the 2nd European Forum of Co-operative Banks and SMEs in December 2009 in Brussels, in partnership with CIBP (the International Confederation of Popular Banks) and UEAPME, which represents European crafts, trades and SMEs at EU level. The aim was to deepen the on-going, open dialogue between co-operative banks, SMEs, the European Investment Bank, the European Commission, the European Economic and Social Committee and all relevant stakeholders. The main topics at this year's event were access to finance, future challenges, the regulatory framework and product offerings in the post-crisis context.

The forum highlighted the strong links between co-operative banks and SMEs. It was also highlighted the potential impact of new regulation on co-operative banks and the consequences on financing for SMEs. Finally the importance to maintain diversity of banking business models in Europe as a source of stability, sustainable growth and competition was addressed.

RESEARCH ACTIVITIES AND SURVEYS

The European Think Tank on Co-operative Banks

The network of 15 academics belonging to the European think tank, launched by the EACB in 2008, is an important platform for the exchange of ideas and a centre of knowledge on co-operative banks. During 2009 its research activities mainly focused on the financial crisis. However, topics such as governance and CSR also ranked high on the agenda. A workshop was organised with the author of the IMF report "Co-operative Banks in Europe: Policy Issues" (2007) in order to stimulate further work on this crucial topic. In addition, a number of the think tank's members outlined their contributions to two EACB-led studies: the study on *European co-operative banks in the financial and economic crisis* and the study on *Corporate Social Responsibility in co-operative banks*.



Survey “European Co-operative Banks in the financial and economic crisis”

In recent years the world has faced an unprecedented turmoil in financial markets that has profoundly shaken the fundamentals of finance and economy worldwide. This has stimulated reflections and analyses from various perspectives. Economists, policy makers, analysts, international organisations, opinion makers and many others have contributed to this discussion with reports and studies on different aspects of this crisis. As a contribution to this debate, the EACB has co-ordinated the efforts of its members and of the European think tank on co-operative banks to produce an assessment of the crisis and the performance of co-operative banks in Europe. Co-operative banks escaped relatively unscathed from the financial and economic crisis thanks to their unique characteristics, not least in terms of their corporate governance. They demonstrated their robustness and resilience. The study will be officially released at the beginning of 2010.

Report “Corporate Social Responsibility of co-operative banks”

Today, the financial crisis and the mistrust of financial institutions that it has engendered have reopened the debate on the role of banks within a society and their responsibilities as key economic and social actors. Banks can leverage resources and facilitate structural changes by financing innovative and sustainable projects and disseminating responsible practices among their clients (individuals, enterprises, SMEs, public authorities, NGOs etc).

In this respect, European co-operative banks have huge potential to drive the transition to a more sustainable society and economy. The report, that is a result of the efforts of the EACB working group on CSR, presents the best practices of EACB member organisations and shows how they fulfill their responsibilities to their stakeholders, the communities to which they belong and the environment. A contribution from the European think tank on co-operative banks highlights the need to create specific indicators to assess co-operative banks' CSR performance and makes practical suggestions as to how to bring that about. The report, due for publication at beginning of 2010, aims to stimulate further reflections and the development of common practices among EACB member banks.

VISITS AND TRAINING SESSIONS

There is a growing appetite for more information on European affairs, co-operative banks in Europe and the role and missions of the EACB. To cater for this demand, the Secretariat has organised two kinds of activities. Firstly, groups of visitors from local or regional banks from a number of European countries have been received throughout the year. Those visits were part of training programmes organised by Member organisations with a specific focus on European institutions.

At the same time, the EACB and Unico Banking Group have rolled out the fourth year of their training programme in European Affairs aimed at the senior executives of co-operative banks. The aim of the training is to explain the major current and future challenges the sector faces and the impact of EU regulation on co-operative banks. More than 150 people have attended these training courses since their start. Furthermore, the secretariat has been invited to bring its expertise in the field of European affairs to a number of training programmes organised by its Members. Finally the EACB has participated in various public events organised at national level by the member organisations or at European and international level at the invitation of the European Institutions and international organisations.



ANNEX - GLOSSARY OF ABBREVIATIONS

AG: Advisory Group
APRC: Annual Percentage Rate of Charge
CCD: Consumer Credit Directive
CCPs: Central Counterparties (clearing houses)
CEBS: Committee of European Banking Supervisors
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
EP: European Parliament
ESIS: European Standardised Information Sheet
FASB: Financial Accounting Standards Board
IAS 32: International Accounting Standard 32 - Financial Instruments
IASB: International Accounting Standards Board
ICA: International Co-operative Alliance
IFRIC: International Financial Reporting Interpretations Committee
IMCO: Internal Market and Consumer Affairs Committee at the European Parliament
Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments
MEP: Member of the European Parliament
MiFID: Markets in Financial Instruments Directive
PAAinE: Pro-Active Accounting Activities in Europe
REO: Reassessed Expected Outcome approach (FASB)
SECCI: Standard European Information Sheet
T2S: TARGET2-Securities
UCITS: Undertakings for Collective Investments in Transferable Securities



ANNEXES

1. KEY STATISTICS OF THE ASSOCIATION ON 31.12.2008

Financial Indicators

Full Member Organisations	ECONOMIC INDICATORS			PROFITABILITY INDICATORS		
	Total assets (EUROmio)	Total deposits (EUROmio)	Total loans (EUROmio)	ROA (%)	ROE	Cost/Income
AUSTRIA						
Österreichische Raiffeisenbanken	265.349	143.943	164.933	0,11%	6,95%	65,71%
Österreichischer Genossenschaftsverband (a)	94.571	62.666	52.773	0,48%	11,29%	63%
BELGIUM						
Crédit Professionnel (a)	5.832	3.107	2.222	n.a.	n.a.	n.a.
BULGARIA						
Central Co-operative Bank	851	712	501	1,34%	9,95%	73,41%
CYPRUS						
Co-operative Central Bank (b)	14.750	12.981	10.216	0,89%	8,51%	82,15%
DENMARK						
Sammenslutningen Danske Andelskasser	1.800	1.600	1.300	2,10%	13,60%	0,82%
FINLAND						
OP-Pohjola Group	75.746	37.082	51.708	0,31%	4,10%	54,00%
FRANCE						
Crédit Agricole	1.784.000	732.400	791.000	n.a.	n.a.	71,00%
Crédit Mutuel	581.709	197.219	295.497	0,08%	1,70%	72,20%
BPCE (a)	349.000	167.900	122.700	0,30%	5,80%	78,51%
GERMANY						
BVR/DZ BANK	1.024.763	567.396	547.882	0,01%	0,14%	89,90%
GREECE						
Association of Cooperative Banks of Greece	3.752	2.927	3.064	1,35%	9,87%	68,11%
HUNGARY						
National Federation of Savings Co-operatives	5.100	4.234	2.320	0,71%	9,95%	70,33%
ITALY						
Assoc. Nazionale fra le Banche Popolari	438.600	237.600	341.357	0,60%	6,70%	57,00%
FEDERCASSE	162.950	129.168	118.319	0,7%	6,7%	63%
LUXEMBURG						
Banque Raiffeisen	4.595	3.925	2.861	0,29%	7,40%	69,50%
LITHUANIA						
Association of Lithuanian credit unions (a)	185	146	129	0,50%	4,20%	n.a.
NETHERLANDS						
Rabobank Nederland	612.120	304.214	408.620	0,45%	9,7%	65,30%
POLAND						
Krajowy Związek Banków Spółdzielczych	13.556	10.175	10.765	1,70%	19,60%	65,70%
PORTUGAL						
Crédito Agrícola	11.447	9.613	7.945	1,10%	13,10%	55,50%
ROMANIA						
Creditcoop (a)	159	26	40	n.a.	n.a.	n.a.
SLOVENIA						
Deželna Banka Slovenije d.d. (a)	757	627	528	1,40%	18,80%	66,00%
SPAIN						
Unión Nacional de Cooperativas de Crédito	113.010	93.375	94.903	0,56%	7,28%	57,57%
SWEDEN						
Landshypotek (a)	5	n.a.	4,1230	n.a.	n.a.	n.a.
UNITED KINGDOM						
The Co-operative Bank plc	16.868	13.424	11.617	0,34%	6,81%	59,10%
TOTAL (EU 27)	5.581.474	2.736.460	3.043.204			
ASSOCIATE MEMBER ORGANISATIONS						
CANADA						
Desjardins Group	88.348	58.843	60.598	0,1%	0,80%	91,80%
JAPAN						
The Norichukin Bank/JA Bank Group (a)	738	523	226	n.a.	n.a.	n.a.
SWITZERLAND (B)						
Schweizer Verband der Raiffeisenbanken (a)	69	38	58	n.a.	n.a.	n.a.
TOTAL (NON EU 27)	807	561	284			

a) Figures 2007 b) In 2008, 115 cooperative credit societies established affiliation with the CCB, although they continue to be separate legal entities c) CA group includes regional banks, local banks, CA s.a. and its subsidiaries d) Estimation



CAPITAL SOLIDITY INDICATORS					OTHER INDICATORS					MARKET SHARE	
Tier 1 capital ratio	Total capital ratio	Long term rating (S&P, Moodys and Fitch)			Nb Employees	Nb Clients	Regional/ Local Banks	Banking Outlets	Nb members	Market share deposits	Market Share Credits
5,84%	8,80%	A	A1	A	32.090	3.600.000	560	1.749	1.650.000	28,60%	24,60%
8,10%	11,9%		Aa3		13.637	1.500.000	80	1.054	674.000	8,0%	7,5%
n.a.	n.a.				n.a.	n.a.	8	162	n.a.	n.a.	n.a.
13,21%	13,21%				1.886	1.022.008	n.a.	266	6.309	3,29%	1,97%
92,60%	8,39%				2.789		123	500	590.285	19,00%	16,00%
12,90%	12,90%				556	125.000	20	75	67.000	0,60%	0,50%
12,60%	12,60%			AA-	12.752	4.143.000	228	604	1.230.000	33,80%	32,00%
8,40%	9,90%	AA-	Aa1	AA-	164.000	58.000.000	39	11.850	6.200.000	24,00%	22,00%
9,90%		A+	Aa3	AA-	65.545	18.700.000	18	5.619	7.200.000	12,00%	16,90%
9,10%	11,10%	AA-	Aa3	A+	40.855	7.800.000	20	2.938	3.300.000	6,71%	7,55%
7,80%	12,30%	A+	Aa3	A+	186.479	30.000.000	1.196	13.586	16.200.000	18,60%	16,00%
N/A	N/A				1.238	N/A	16	177	196.179	0,80%	1,10%
6,81%	7,15%	BB-			7.682	1.100.000	127	1.616	150.000	8,26%	2,68%
7,70%	11,20%				83.740	9.400.000	97	9.422	1.160.000	25,40%	23,10%
13,8%	14,6%				29.908	5.700.000	432	4.101	939.667	8,9%	7,2%
8,50%	9,60%				476	121.374	N/A	49	5.203	10,00%	10,00%
n.a.	16,6%				371	82	59	152	81.188	1,4%	0,8%
12,70%	13,00%	AAA	Aaa		66.136	9.500.000	153	1.112	1.707.000	43,00%	30,00%
9,50%	13,80%				31.265	10.500.000	579	4.199	2.500.000	8,80%	6,50%
12,00%	14,40%				4.279	1.343.050	100	670	333.820	4,80%	2,70%
n.a.	n.a.				2.562	1.103.851	124	n.a.	760.000	1,0%	0,70%
14,30%	14,30%				417	85	1	1	374	1,8%	1,7%
					20.940	10.505.452	81	5.141	2.096.531	5,00%	5,20%
n.a.	n.a.		A2		100	69	10	n.a.	57.606	n.a.	n.a.
8,27%	5,01%			A	4.108	2.345.000	N/A	90	3.500.000	1,00%	3,00%
					773.811	176.508.971	4.071	65.133	50.605.162	21% (D)	19% (D)
13,4%	12,9%	AA-	Aa1		41.921	n.a.	n.a.	1.428	5.795.277	n.a.	n.a.
n.a.	n.a.				60	47.000.000	n.a.	n.a.	9.000	11,0%	13,0%
n.a.	n.a.				8	3.000.000	390	1.155	1.371.107	18,6%	12,1%
					41.989	50.000.000	390	2.583	7.175.384		



Cooperative Indicators

Full Member Organisations (a)	GOVERNANCE	EMPLOYMENT		SME'S FINANCING		TERRITORY COVERAGE	
	Members / clients ratio	Nr. of New employees hired this year	Expenses staff training / payroll	% of SMEs loans on total loans	Market share of loans to SME (%)	Nr. of clients / Nr. branches	Market share of ATM's (%)
AUSTRIA							
Österreichische Raiffeisenbanken	46,00%	458	1,80%	n.a	38%	1.559	38,40%
Österreichischer Genossenschaftsverband (c)	87%	371	1,71%	n.a	n.a	1.302	11%
BULGARIA							
Central Co-operative Bank	0,62%	225	0,21%	14,92%		3.842	13,16%
CYPRUS							
Co-operative Central Bank (b)	50,00%	14	0,70%	56,00%	20,00%	n.a	20,00%
DENMARK							
Sammenslutningen Danske Andelskasser	0,54%	2	39,30%	55,00%	0,4	n.a	n.a
FINLAND							
OP-Pohjola Group	30,00%	281	2,90%	n.a	n.a	6.859	n.a
FRANCE							
Crédit Agricole	30,00%	4.570	6,10%	23,60%	35,00%	2.821	22,50%
Crédit Mutuel	70,00%	1.655	5,70%	n.a	n.a	3.300	n.a
BPCE (c)	42%	2.700	6,80%	46%	8,18%	2.655	8,58%
GERMANY							
BVR/DZ BANK	54,00%	N.A.	2% (c)	27% (c)	25% (c)	2.201 (c)	34% (c)
HUNGARY							
National Federation of Savings Co-operatives	14,00%	380	1,00%	53,00%	4,00%	681	15,00%
ITALY							
Assoc. Nazionale fra le Banche Popolari	12,20%	3.250	1,00%	49,00%	25,00%	998	27,00%
FEDERCASSE	17,30%	1.363	1,00%			1.376	9,30%
LUXEMBURG							
Banque Raiffeisen	4,30%	59	1,50%	26,90%	6,00%	2.477	14,70%
LITHUANIA							
Association of Lithuanian credit unions (c)	99,10%	42	n.a.	42,10%	n.a.	539	n.a.
NETHERLANDS							
Rabobank Nederland	17,90%	5.794	3,00%	13,63%	39,00%	8.543	36,00%
POLAND							
Krajowy Związek Banków Spółdzielczych	23,80%	1.162	n.a	20,00%	13,00%	2.500	17,00%
PORTUGAL							
Crédito Agrícola	25,00%	119	0,60%	n.a	n.a	2.005	10,00%
SLOVENIA							
Deželna Banka Slovenije d.d. (c)	n.a	34	1,87%	40%	n.a	85.215	1,65%
SPAIN							
Unión Nacional de Cooperativas de Crédito	20,00%	572	n.a	n.a	n.a	204	8,00%
UNITED KINGDOM							
The Co-operative Bank	25,00%	n.a.	4,00%	22,00%	2,00%	26.055	3,40%
ASSOCIATE MEMBER ORGANISATIONS (a)							
CANADA							
Desjardins Group		852 (d)	3,70%	n.a	n.a	n.a.	n.a.
JAPAN							
The Norichukin Bank/JA Bank Group (c)	19%	n.a	n.a	n.a	n.a	5.021	9,00%

a) Selected members whose co-operative data are available b) In 2008, 115 cooperative credit societies established affiliation with the CCB, although they continue to be separate legal entities c) Figures 2007 d) Physical persons



2. MEMBER ORGANISATIONS ON 31.12.2009

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

www.raiffeisen.at

Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

Löwelstrasse 14-16 | A - 1013 Wien

Tel.: +43 1 313 28 0 | Fax: +43 1 313 28 450

www.oegv.volksbank.at

Bulgaria

Central Cooperative Bank

103, G.S. Rakovski Street | BG - 1000 Sofia

Tel.: +359 2 92 66 107/122 | Fax: +359 2 98 88 107

www.ccbank.bg

Cyprus

Co-operative Central Bank Ltd.

8, Gregory Afxentiou Street | CY-1096 Nicosia

Tel.: +357 22 74 30 00 | Fax: +357 22 67 02 61

www.coopbank.com.cy

Denmark

Sammenslutningen Danske Andelskasser

Baneskellet 1, Hammershøj | DK - 8830 Tjele

Tel.: +45 (87) 99 30 06 | Fax: +45 87 99 30 98

www.sda.dk

Finland

OP-Pohjola Group & Pohjola Bank plc

Teollisuuskatu 1b - P.O. BOX 308 | FIN - 00101 Helsinki

Tel.: +358 10 252 011

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

www.creditmutuel.fr

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

www.credit-agricole.fr

BPCE

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

www.bpce.fr

Germany

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

www.bvr.de

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

www.dzbank.de

Greece

Association of Co-operative Banks of Greece

50, Skoufa Str Kolonaki | GR - 106 82 Athens

Tel.: +30 1 36 36 311 | Fax: +30 1 36 10 210

www.este.gr

Hungary

National Federation of Savings Co-operatives

Fogaskerekü u. 4-6 | H - 1122 Budapest

Tel.: +36 1 488 08 73 | Fax: +36 1 488 08 61

www.takarekszovetkezetek.hu

Italy

Associazione Nazionale fra le Banche Popolari

Piazza Venezia 11 | I - 00187 Roma

Tel.: +39 06 69 535 203 | Fax: +39 06 679 55 58

www.assopopolari.it

Federazione Italiana delle Banche di Credito Co-operativo- Casse Rurali ed Artigiane

Via Lucrezia Romana, 41 - 47 | I - 00178 Roma

Tel.: +39 06 7207 1 | Fax: +39 06 7207 2790

www.creditocooperativo.it

Luxemburg

Banque Raiffeisen Luxembourg

Rue Charles Martel, 46 | L - 2134 Merl

Tel.: +352 24 50 1 | Fax: +352 22 75 41

www.raiffeisen.lu

Netherlands

Rabobank Nederland

Croeselaan 18 | NL - 3500 HG Utrecht

Tel.: +31 30 216 18 54 | Fax: +31 30 216 00 00

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

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
www.creditoagricola.com

Romania

Central Co-operatist Bank Creditco-op
Plevnei Way 200 | Sector 6 | RO - Bucharest
Tel.: +40 21 317.74.05 | Fax: +40 21 317 74 86
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
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
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
www.landshypotek.se

United Kingdom

The Co-operative Bank p.l.c.
1 Balloon Street | UK - Manchester M60 4Ep
Tel.: +44 161 832 34 56 | Fax: +44 161 839 42 20
www.co-operativebank.co.uk

Associate Members

Canada

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

Japan

The Norinchukin 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

3. MEMBERS OF THE BOARD AND EXECUTIVE COMMITTEE ON 31.12.2009

President

P. Moerland, 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. Boms, Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

Bulgaria

G. Konstantinov, Central Cooperative Bank

Canada

M. Leroux, Mouvement des caisses Desjardins

Cyprus

E. Chlorakiotis, Co-operative Central Bank Ltd

Denmark

V. Raun, Sammenlutningen Danske Andelskasser

Finland

H. Vitie, OP-Pohjola Group

France

J.-M. Sander, Fédération Nationale du Crédit Agricole
Mr. Joseph d'Auzay, Fédération Nationale du Crédit Agricole
Mr. Jean-Paul Chifflet, Fédération Nationale du Crédit Agricole
Y. de a Porte du Theil, BPCE
E. Pflimlin, Confédération Nationale du Crédit Mutuel

Germany

G. Hofmann, Bundesverband der Deutschen Volksbanken und Raiffeisenbanken - BVR
W. Kirsch, DZ BANK AG
St. Götzl, Genossenschaftsverband Bayern e.V.
U. Fröhlich, 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, JA Bank group

Lithuania

S. Bubnys, *Lithuanian Central Credit Union*

Luxemburg

G. Hoffmann, *Banque Raiffeisen Luxembourg*

Netherlands

P. Moerland, *Rabobank Nederland*

A.J.A.M. Kuijpers, *Rabobank Nederland*

W. Boonstra, *Rabobank Nederland*

Poland

J. Rozynski, *Krajowy Związek Banków Spółdzielczych*

Portugal

P. R. De Macedo, *FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo*

Roumania

A. Morar, *Central Cooperatist Bank Creditcoop*

Slovenia

S. Belingar, *Deželna banka Slovenije d.d.*

Spain

M. De Castro Aparicio, *Union Nacional de Cooperativas de Crédito*

Sweden

K. Stillman, *Landshypotek AB*

Switzerland

H. Gernet, *Raiffeisen Schweiz*

United Kingdom

D. Sanders, *The Co-operative Bank p.l.c.*

4. WORKING GROUPS AND THEIR CHAIRPERSONS ON 31.12.2009

Co-Ordination 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*

Social Affairs

D. Paty, *Confédération Nationale du Crédit Mutuel*

Financial Markets

E. Derobert, *CACEIS Bank*

Accounting

St. Morfeld - Wahle, *Bundesverband der Deutschen Volksbanken und Raiffeisenbanken - BVR*

Corporate Social Responsibility

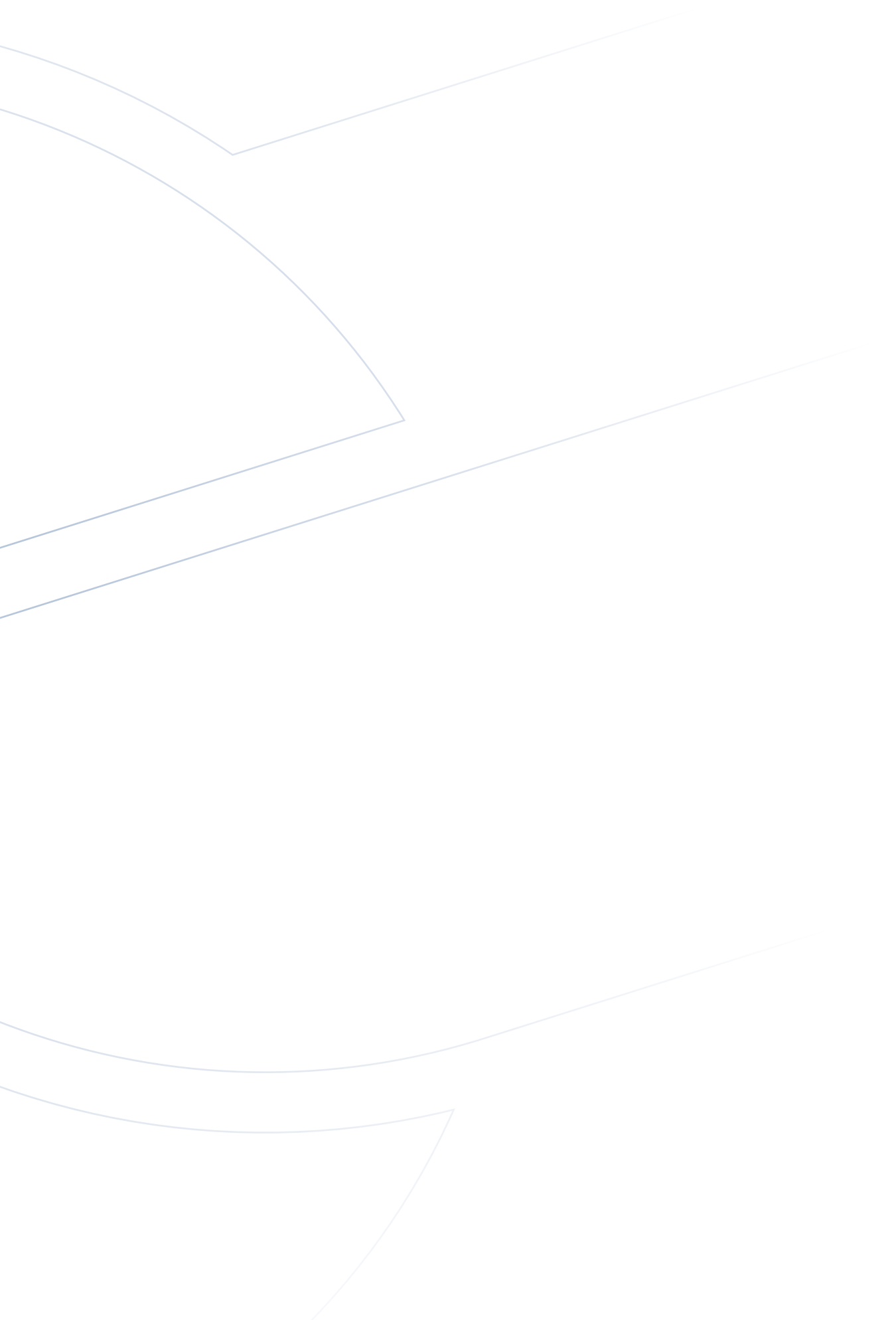
B.-J. Krouwel, *Consultant Rabobank Nederland*

5. SECRETARIAT GENERAL ON 31.12.2009


EACB secretariat, from the left :

Mr. J.Delorme, Ms. K.Kobylynska, Mr. X.Gomila, Ms. E.Huber, Ms. E.Bevilacqua, Mr. H.Guidier, Mr. A.Schwarz, Ms. W.Chan, Ms. N.Corbisier, Ms. J.Cariou, Mr. V.Heegemann, Ms. M.van Berkel.

Mr. Hervé GUIDER General Manager h.guidier@eurocoopbanks.coop			
LEGAL DEPARTMENT	RETAIL BANKING, PAYMENTS, FINANCIAL MARKETS DEPARTMENT	COMMUNICATION AND RESEARCH	SECRETARIAT
Mr. Volker HEEGEMANN Head of Department v.heegemann@eurocoopbanks.coop	Ms. Marieke van BERKEL Head of Department m.vanberkel@eurocoopbanks.coop	Ms. Elisa BEVILACQUA Senior Adviser for Research & Communication e.bevilacqua@eurocoopbanks.coop	Ms. Eveline HUBER DE VOS Office Manager e.devos@eurocoopbanks.coop
Mr. Xavier GOMILA Adviser for Banking Supervision x.gomila@eurocoopbanks.coop	Mr. Alessandro SCHWARZ Adviser for Financial Markets a.schwarz@eurocoopbanks.coop	Mr. Jerome DELORME Trainee Assistant for Research & Communication j.delorme@eurocoopbanks.coop	Ms. Nathalie CORBISIER Assistant n.corbisier@eurocoopbanks.coop
Ms. Johanna CARIOU Adviser for Accounting & Audit j.cariou@eurocoopbanks.coop	Ms. Katarzyna KOBYLINSKA Adviser for Retail Banking & Consumer Policy k.kobylynska@eurocoopbanks.coop		
Ms. Wae-San CHAN Adviser Company & Banking Law w.chan@eurocoopbanks.coop			





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