



EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS

# ANNUAL REPORT

**MORE THAN A BANK, A CO-OPERATIVE BANK**



The voice of 4000 local and retail Banks - 50 million Members - 176 million Customers  
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## INTRODUCTION

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The European Association of Co-operative Banks (EACB) 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 an international level, it is a leading trade association in the financial sector, representing 28 national associations and their member banks. The co-operative banking sector contributes significantly to growth, stability and competitiveness of the European banking industry at a local and regional level. Moreover, in the unique context of the global financial crisis, this sector demonstrated its robustness and resilience, as well as its ability to act as a key driver for economic recovery at a local level:

- Co-operative banks serve more than 176 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 4,000 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.
- Co-operative banks have long been an integral and well-established part of the financial system in many European countries and they are an important part of the diversity and plurality in European banking with their own characteristic business models, ownership and governance structures<sup>1</sup>.

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1 Ayadi, R., Llewellyn, D.T., Schmidt, R.H., Arbak, E., De Groen, W.P., CEPS (2010) Investigating Diversity in the Banking Sector in Europe



## PRESIDENT'S ADDRESS



Piet Moerland, President

The year 2010 will be remembered as a remarkable one in the EU. It was the first year of the implementation of the Lisbon Treaty with relevant changes including a more powerful [European Parliament](#) and the creation of a long-term position: The [President of the European Council](#). Furthermore it shall be remembered as one of the most important years as regards the legislative framework for the banking industry with changes that paved the way for a new decade of regulation. Last but not least, the Year 2010 was also the one in which the EACB celebrated its 40<sup>th</sup> anniversary.

Returning to the new wave of legislation, I would like to raise the following points:

Co-operative banks operate on the basis of a business model that is different from the mainstream banking model. Co-operative banks are characterized by a strong focus on customers and members, a unique capital and governance structure and a long-term orientation. This long-term approach and solidity have been revealed as important assets that have helped the global financial system over the last 24 months. They have proven their resilience and commitment to finance the real economy during the bad times as well as the good.

Co-operative banks also support all European initiatives aimed at enhancing the stability of the financial industry and the improvement of consumer protection. Since diversity of business models is a key feature of the European banking industry, the one-size-fits-all approach to legislation is not an appropriate approach with which to strengthen the stability of the financial industry. In this respect I would like to recommend to European regulators to calibrate the new Capital Requirement Directive (CRD IV) accordingly when the transposition of Basel III takes effect in EU regulation.

Furthermore, it is evident that the proportionality principle is, more than ever, relevant and prudent. The costs of regulation are not felt equally for small banks and large ones. There is a risk therefore, that the legislation can contribute to a reshaping of the banking industry by provoking mergers between small and medium-size institutions that are solid, profitable and have a low risk profile.

Co-operative banks ask for an overall impact assessment of the legislative package rather than a separate evaluation of the effects of each new piece of legislation. Let me remind you that in Europe, more than 4,000 co-operative banks will be fully compliant with Basel III in 2013, a situation in stark contrast to that existing in the USA.

The last point I would like to raise is that competition rules seem to be distorted by government guarantees and state support in the form of capital. In this respect, co-operative banks draw the attention to the consequences of its exit strategy and the recent prolongation of state aid.

The 4<sup>th</sup> Convention on Co-operative Banks in April 2010 again paved the way for a fruitful dialogue between the banking regulators and representatives of co-operative banks. The EACB, as the voice of co-operative banks, guarantees a high-quality relationship with the EU Institutions. The following activity report illustrates the work it conducts in a co-operative spirit combined with the necessary will to make progress.

I would like to thank all my fellow directors of co-operative banks or national federations, the two vice presidents, Jean-Marie Sander and Gerard Hofmann and of course Hervé Guider and the Secretariat staff for their intensive work for the benefit of the EACB's 28 co-operative banking groups.

Piet MOERLAND, *President*



## WELCOME TO THE EACB

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### 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 past year. I hope it also demonstrates how the EACB is enhancing its reputation and standing within European regulatory and policy circles as far as financial services and banking issues are concerned.

Some of the major issues that the EACB focused on in 2010 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

Two 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 the Committee for European Banking Supervisors (CEBS) in December 2009 and the revision of the CRD IV. Over the past 12 months, the EACB has continually alerted policy makers and banking regulators upon the need to respect the diversity of the banking business models and specifically the co-operative banking business model. It demonstrated that small and medium-sized local and regional co-operative banks, which are non-listed, and as they are private banks and fully independent, require the recognition of co-operative shares as Core Tier 1 Capital. As an outcome of constant constructive lobbying in Europe, driven by the EACB, alongside the efforts of co-operative banks in Japan and Canada, the recommendations adopted by the Basel Committee have confirmed that co-operative shares are compliant with the definition of instruments eligible as Core Tier 1 Capital. This is a first step and co-operative banks collectively call for the same recognition in the CRD IV. Beyond this key concern for co-operative banks, the EACB has also expressed its views regarding the Basel III agreement, specifically concerning the controversial leverage ratio and the definition of the new liquidity standards. At the European level, the EACB has already drawn the attention of the regulators to: a) the need for a review of EU rules on Deposit Guarantee Schemes (DGS) and b) the concerns of co-operative banks such as the request to allow systems that already protect depositors and prevent bank failures to be able to continue their practices.

The coming year 2011 will pave the way for a new decade in terms of regulation. In this perspective, the EACB and its members will take every opportunity to voice their concerns and to ask for a legislative framework which will fit all types of business models and statutes. In this respect, an overall impact assessment of the various initiatives undertaken by the EU Commission is appropriate to measure their cumulative impact.



## CONSUMER AFFAIRS

Co-operative banks are the front runners in Europe with more than 4,000 retail banks operating under the co-operative statute. They enjoy close proximity with their customers, who are frequently the owners of local co-operative banks. In other words, they are highly committed partners in the debate concerning the enhancement of consumer protection in the financial services domain. For instance, they are paying close attention to the implementation of principles on bank account switching adopted by the banking industry. The EACB is also involved in the debate on the responsible lending issue, and argues that replacing local, personal knowledge with an EU-wide standardised formula of lending processes could lead to results contrary to consumers' interests. Another example of EACB engagement is the discussion with the EU Commission on the "Packaged Retail Investment Products (PRIIPs)" initiative. Indeed, co-operative banks are heavily affected by the ideas presented as they impact the contractual relationship between financial advisers and their retail clients. The same approach is taken regarding the proposal to enable EU consumers to have access to a basic payment account. The EACB considers that obligatory provision of accounts by banks would not only be disproportionately burdensome, but – in addition - would not produce the desired results. In general, co-operative banks are in favour of a constructive dialogue with the consumer trade associations and the EU Commission under the assumption that the dialogue leads to outcomes that will be shared and supported by all.

Co-operative banks support the Single Europe Payments Area (SEPA) initiative and are proud to note that more than half of the banks participating in the SEPA Direct Debit Schemes (SDDs) and SEPA Credit transfer (SCT) come from co-operative banks' networks. However, the EACB outlines that not allowing default multilateral interchange fees discriminates against debtor banks (co-operative banks) compared to credit or banks. Moreover, the EACB welcomes the establishment of the SEPA EU Council, as announced, and expects to play a key role in this new body in order to make SEPA a success.

## COMMUNICATION AND RESEARCH

The EACB has intensified its efforts to improve awareness of co-operative banks among European and International policy and decision-makers. In this respect, the 4<sup>th</sup> Convention on Co-operative Banks, celebrating the 40 Years of the EACB, was an opportunity for co-operative banks' leaders to exchange views and, along with key policy makers, to present their concerns and reflect on future perspectives of the European banking landscape. At the same time, a Centre for European Policy Studies (CEPS) report was issued in September 2010 analysing the co-operative banking model and the performance of co-operative banks in seven European countries. This study highlighted the value of diversity as a fundamental asset of the European banking sector. The theoretical and empirical arguments also demonstrated the crucial role played by the co-operative banks' business model in terms of local and regional development and its contribution to financial stability and economic performance.

The EACB was also involved in many public events and co-organised the 3<sup>rd</sup> forum on Co-operative Banks and SMEs in Budapest; this focused on Eastern Europe. As one of the foremost credit providers to SMEs, co-operative banks are - along with the SMEs' trade association UEAPME - deeply involved in the high level group of experts set up by the European Commission in 2010.

Moreover, the EACB Secretariat General attended conferences and workshops in Europe and outside the EU as a guest speaker to explain the added value of the co-operative banking model and the resilience of co-operative banks during the global financial crisis.

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 regulation principles that accommodate the co-operative banks business model; it voices the unique characteristics of its members in order to enhance the diversity and 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 – materialised by the co-operative share; a strong commitment to social values; and close links with 65,000 bank branches.

#### Commitment

The EACB is fully committed to defending and promoting the unique qualities and values of 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 dissemination of 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, consult, consider and 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 members' representatives on 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 is registered in the EU lobby register.

#### Efficiency

The EACB is a leading professional lobbying organisation in the banking industry in Brussels. The expertise and professionalism of its staff allows it 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 4,200 member banks.





## CO-OPERATIVE BANKS RESILIENT DURING THE CRISIS CONFRONTED BY TIGHTER BANKING REGULATION AND SUPERVISION AIMING TO ENHANCE THE STABILITY OF FINANCIAL SYSTEM

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The year 2010 may be characterised as the year of regulatory responses to the global financial crisis aimed at enhancing the stability of the financial system. These regulatory responses, i.e. the G20 agreements, the initiatives of the Basel Committee, European Institutions and the CEBS, set out the working-plan for the EACB and its members throughout 2010. They will also remain in focus during 2011. By now it has become evident that there will be unprecedented changes to the regulatory and supervisory landscapes with significant implications for co-operative banks. In this respect, the EACB asks for an overall impact assessment of the new set of legislation based on a panel representing the diversity of the banking industry in Europe.

### **A/ THE STABILITY OF THE FINANCIAL SYSTEM**

#### **New capital requirements and co-operative shares as Core Tier 1 Capital**

Co-operative Banks underline the opportunity offered by the BCBS and the European Commission upon the “Basel III” accord aimed at strengthening the regulation, supervision and risk management of the banking sector. The set of recommendations finally approved in December 2010 placed an intensive workload on the Association and its members during the first months of the year. The EACB developed positions on these proposals as well as on a number of others that the Basel Committee and the CEBS published throughout 2010. Numerous meetings were held with the staff of the Basel Committee, European Commission officials, MEPs and CEBS members to further explain the Association members’ concerns on specific elements of the proposals.

A general concern for co-operative banks remains the overall level of capital. Since they are non-listed banks and cannot raise capital on financial markets — but rather have to generate capital by retained earnings — reasonable overall capital requirements for retail banking combined with a smooth transition period are fundamental.

Moreover the preservation of co-operative shares as Core Tier 1 Capital remains a major concern. Following intensive activities of the EACB, the Basel Committee’s consultation paper from December 2009 had already granted co-operative and mutual banks some flexibility regarding the suggested eligibility criteria for Common Equity Instruments (Core Tier 1). In its consultation document, the European Commission had also expressed that shares of co-operative banks should remain Tier 1. During the first half of 2010, the EACB and its experts were also closely involved in developing CEBS guidelines on the definition of capital, which to a significant degree anticipated the core elements of Basel III<sup>2</sup>. In the light of the documents issued in December 2010, the EACB considers that they meet co-operative banks’ expectations regarding Common Equity. In other words, both provide a solid basis for the drafting of the CRD IV.

Another key aspect for the co-operative group is the stake of local banks in central bodies, as well as participations of the latter in specialised financial institutions. The approach of the Basel Committee’s final documents on Minority Interest is certainly a step in the right direction, but other questions remain open and will have to be addressed in 2011 both at an international and European level.



### The leverage ratio concept is not supported by co-operative banks

The controversial leverage ratio remains part of the Basel III package. However, it will be subject to a parallel run before a possible implementation as a Pillar 1 by 2018. The EACB has reiterated on several occasions the inappropriateness of this measure, mainly due to its lack of risk sensitivity, which may have a negative effect on the low-risk retail business.

### The definition of the liquidity standards and the treatment of deposits in institutional networks of co-operative banks

The new liquidity standards of the Basel Committee, i.e. Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) were other issues of intensive involvement from the EACB. The Association had strongly criticised the NSFR, which could have seriously hampered Maturity Transformation and – in this way - the core activity of co-operative banks as retail banks. It is therefore appreciated that the Basel Committee will review its concept of the NSFR. As for the LCR, serious concern was expressed regarding a number of elements of the suggested concept.

In particular, the EACB underlined the necessity of a consolidated approach and an appropriate treatment of liquidity systems of the co-operative banking groups. To this end, efforts were taken in order to describe the particularities and commonalities of such systems to regulators. A part of our members' concerns have now been taken up in a paragraph on the "Treatment of deposits in institutional networks of co-operative banks" in the Basel Committee's December liquidity paper. The focus will now be on the implementation of the CRD IV and the efforts to address the remaining aspects.

### Crisis management and resolution funds

In October 2010, as a final part of establishing a sound financial regime for banks, the European Commission published a Communication on an EU framework for Crisis Management in the financial sector. The Communication set out the main elements that will be part of the Commission's legislative proposals due by summer 2011. The new framework as described in the Communication will be wide-ranging and aims to equip authorities with common tools and powers to tackle bank crises at the earliest possible opportunity. The toolbox of measures will include:

- preparatory and preventative measures such as a requirement for institutions and authorities to prepare for recovery and resolution plans to ensure adequate planning for financial stress or failure (such plans are called "living wills"),
- powers to take early action to remedy problems before they become severe such as powers for supervisors to require the replacement of management, or to require an institution to implement a recovery plan or to divest itself of activities or business lines that pose an excessive risk to its financial soundness, and
- resolution tools, such as powers to effect the takeover of a failing bank or firm by a sound institution, or to transfer all or part of its business to a temporary bridge bank, which would enable authorities to ensure the continuity of essential services and to manage the failure in an orderly way.

Finally, the Communication also addresses the correlation between the resolution funds and Deposit Guarantee Schemes. The EACB has been following this issue very closely and intends to contribute to the Commission's consultation document with an indication of the policy proposals in this field.



## **B/ THE FOLLOW-UP OF THE DE LAROSIÈRE GROUP CONCERNING SUPERVISION**

### **The EACB supports the new EU supervisory architecture and calls for a fair representation of the stakeholder group**

The EACB, while appreciating progress in supervision of cross-border banks, has closely monitored the on-going process to reform the existing EU supervisory architecture in line with its involvement in 2009 in the de Larosière consultation process.

In early autumn, the EU finally achieved an agreement on transforming the existing advisory Committee of European Banking Supervisors (CEBS) into the European Banking Authority (EBA). This new authority will be part of the new European System of European Financial Supervisors (ESFS), which also includes ESMA (European Securities and Markets Authority) and EIOPA (European Insurance and Occupational Pensions Authority). Like the other authorities, the EBA will have the status of a European agency accountable to the European Parliament and Council. The EBA will coordinate and have a leading role in:

- ensuring an effective and consistent level of banking regulation,
- upgrading the quality and consistency of national supervision, and
- strengthening the oversight of cross-border groups.

The EBA will not only have the power to issue guidelines and recommendations on the application of EU law but also have the power to draft regulation, implement technical standards and have powers in a new area: consumer protection.

The major concerns of the EACB are that the new structures must prove to be efficient, and that they do not lead disadvantages for co-operative banks and their specific structures, and that there will be not duplication of obligations towards supervisors. The EACB calls for a fair representation reflecting the diversity of the banking industry in the composition of the new European Stakeholder Groups that accompany the work of both the EBA and the ESMA. Moreover, the EACB considers that the Banking Stakeholder Group within the EBA will have an important role, since it will be consulted on the EBA's initiatives and actions in drafting regulatory measures and implementing technical standards. In addition, a panel of experts should be maintained as a technical support to EBA like the former CEBS panel.

## **C / A MORE RESPONSIBLE FINANCIAL SYSTEM**

### **Co-operative banks call for a respect of their specific governance rules**

In June, the European Commission issued a Green Paper on Corporate Governance in Financial Institutions and Remuneration Policies. The aim of the Green Paper is to enhance corporate governance principles and the place and role of shareholders. Given the importance of this issue for co-operative banks, the EACB has been very active and established contacts with the Commission services. In September, the EACB presented its comments and views on the Green Paper on Corporate Governance. In the same manner as all banks, co-operative banks endorse the objective of strengthening governance in order to remedy any weaknesses in the corporate system in the banking sector in a proportionate and suitable manner. Certainly, the current crisis also requires co-operatives to reflect on the efficiency and functioning of their corporate governance practices in the same way as other financial institutions. However, the EACB's main concern is that any improvements in the corporate governance of co-operative banks should take into account the specific features of co-operative systems. Moreover, the EACB remind the Commission services that co-operative banks were not at the root of the financial crisis and, indeed, have been extremely resilient during that period due to their core values and corporate governance model. The EACB is urging the Commission to develop guidance on corporate governance, based on thorough impact assessments, and to come forward with proportionate measures based on "framework principles" rather than prescriptive rules.



## Remuneration policies needed to avoid excessive risk taking

As a part of the CRD III, new standards on banks' remuneration policies and practices were adopted in 2010. In order to facilitate implementation in October 2010, the CEBS published draft guidelines which were finally adopted in December. The overall aim was to avoid excessive risk-taking and to support sustainable compensation schemes. The EACB actively participated in the consultation in order to address general aspects of the situation and specific concerns of co-operative banks. Some of these issues were taken up in the final guidelines: a specific reference was made that the co-operative approach to business required specific attention by supervisors regarding remuneration aspects. Moreover, the specific situation of co-operative banks and non-listed companies has been acknowledged by allowing cash payout plans instead of share-based payments.

## D / THE CEBS GUIDELINES AS REGARDS THE CRD II

### Art 3 CRD and the "Rabobank Clause"

In 2010 the CEBS developed guidelines on Article 3 CRD, generally known as the "Rabobank Clause". This provision allows groups of co-operative banks, which are permanently linked to a central body, to be treated – under certain conditions - as a single bank in regard to solvency requirements. Following some provisions in CRD II, the CEBS was required to provide for guidelines in order to enhance the convergence of supervisory practices in this regard. The EACB thanks the CEBS for having taken into consideration its comments in the final set of guidelines, which were published in November 2010. The guidelines are a clear and solid basis for the co-operative banking groups concerned.

### Art. 57 of the CRD II: definition of own funds

As imposed by the CRD II, the CEBS published guidelines for the convergence of supervisory practices with regard to the Core Tier 1 instruments referred to in point (a) of Article 57. On the basis of this provision, a set of 10 criteria was developed for the assessment of capital instruments that may be included in original own funds without limit. The EACB followed this process closely and the CEBS took into account the specificities of non-joint-stock companies such as co-operatives and mutuals when elaborating these criteria. The guidelines provide a treatment that reflects the particularities of co-operative banks, in particular with regard to aspects like the access to net assets and the redemption of shares. These guidelines should serve as a basis for the implementation of the Basel III rules into an EU directive or regulation.

## E/ ACCOUNTING AND AUDIT

### IFRS 9

The financial crisis has highlighted the urgent need to achieve a single set of high-quality global accounting standards. In response to the recommendations of the G20 leaders and issues raised by the European Commission, the IASB has decided to replace IAS 39 financial instruments by IFRS 9 during the year 2011.

The EACB is actively involved in this review, which will have significant impact for banks and financial institutions. The key changes are new classification and measurement approaches, the establishment of countercyclical provisions for credit losses (an expected loss impairment approach) and on increase of disclosure requirements. The new IFRS will have broader implications for banks. In particular the new accounting rules will impact capital requirement and means by which bank maintain the liquidity. Therefore, there is a need to carefully consider how best to assess and address IFRS 9's consequences.



### Green paper on audit policy

As part of the crisis-related financial market reform, in October 2010, the European Commission published a Green paper on Audit Policy. Moreover, the ideas explored in the Green Paper with regard to the role of audit, its independence and the accumulation of systemic risk are complementary to the ideas explored in the context of corporate governance.

The EACB participated in this consultation supporting the political will to improve the information provided by the financial statements of companies within the EU. The EACB agrees on the need for auditors to go back to the “basics” of auditing and calls for an assessment of initiatives already implemented as the EU Directive on Statutory audit.

### F/ TAXATION

With the idea to make the financial sector contribute to the cost of the crisis on public finances, decision-makers agreed to lead efforts to set a global approach for introducing systems for levies and taxes on financial institutions. An increasing number of EU member states have introduced specific levy and taxes schemes, which enter into force in 2011. At a European Level, in October 2010, the Commission has published a Communication on the future of taxation of the financial sector with a view to bringing forward policy initiatives in 2011.

Considering the ongoing discussions regarding Financial Transaction Tax (FTT) and Financial Activity Tax (FAT), the EACB calls for impact assessments in order to avoid any risk of double charging. Moreover, the cumulative effects of all the measures currently being addressed in the financial sector, especially with regard to prudential developments, is an area of concern for co-operative banks. This needs to be brought to the attention of the regulators.



## NEW DEVELOPMENTS AFFECTING RETAIL BANKING AND CONSUMER ISSUES

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In 2010, European legislators focused on improving the legal framework for information and protection of retail customers in the area of banking, thereby at times also touching upon the organisation of infrastructures underlying the banks' service offerings. While the ensuing regulatory initiatives were important in determining the activities of the EACB in 2010, the Association continued to work on several self-regulatory initiatives already under way. These aimed to improve the service to customers in the internal market. As, by their very nature, co-operative banks are close to their customers, the Association attaches great importance to the various initiatives listed below.

### **A/ IMPROVED INFORMATION TO CONSUMERS**

#### **Pre-contractual information to mortgage borrowers as part of responsible lending**

In 2010, much time was spent in anticipating the European Commission's decision with regard to responsible lending and borrowing. Although the EACB, in general, is not convinced that there is proven case for pan-European legislation in this area, it concurs in the Commission's decision to adopt the European Standardised Information Sheet (ESIS), developed by the industry in 2001, as the basis for regulation of pre-contractual information in the context of home loans. Satisfactory functioning of the ESIS on a voluntary basis had been confirmed by consumer testing carried out by OPTEM, and the EACB hopes that the new legislation will build broadly on this positive experience. In the context of disclosure requirements, the EACB believes that a clear distinction needs to be made between the stage of 'marketing and advertising' and that of pre-contractual information.

#### **Pre-contractual information to retail clients buying investment products through investment companies**

In 2010, the European Commission elaborated further on its deliberations with regard to the protection of retail clients when purchasing Packaged Retail Investment Products (PRIPs). The goal of the PRIPs initiative is to harmonize, for almost all financial products sold to retail clients, existing legislation concerning obligations for information on product characteristics and selling rules at the point of sale. As a result of their large retail base, co-operative banks are heavily affected by the ideas presented as they impact the contractual relationship between financial advisers and their retail clients. The EACB therefore, from the very beginning, voiced some key concerns including: a) a view that as the scope was too broad, it would cover standard saving products that had no risk, and b) there would be possible costly changes to existing requirements for the selling process.

#### **Accessible, understandable and comparable information on bank account fees**

In 2010, following the 2009 Study on Bank Fees, the EACB was invited to participate in a European Consumer Summit, and in particular in a workshop on bank fees transparency, where it argued against the introduction of European measures addressing the presentation of retail bank fees. Given that one of the conclusions of the Summit was that issues related to retail banking would be best tackled at a national level, the invitation from Commissioner Barnier, addressed to the EACB and some other European banking associations, to develop solutions to ensure the transparency of bank fees came as a surprise. The EACB has since engaged in a dialogue with the Commission and the European Consumers' Organisation (BEUC), and accepted to hold the secretariat of an industry task force, vested with the task of investigating whether - and which of - the industry solutions suggested by the Commission could be feasible.



### Information on reasons and benefits of tying, bundling and conditional sales

In 2010, the EACB engaged in a dialogue with the European Commission on the issue of cross-selling of financial products and similar practices. The EACB provided its contribution to the Commission's consultation on the Van Dijk Management & CEPS *Study on tying and other potentially unfair commercial practices in the retail financial services sector*, as well as supplementary information on the benefits of the practices used in the banking sector. At the European Commission's Workshop on *tying, bundling and conditional sales*, the EACB insisted that co-operative banks were committed to providing clear and comprehensible information to consumers which is necessary for them to understand the underlying reasons for tying and bundling, as well as the benefits that those practices bring. However, the EACB strongly believes that if real consumer understanding is to be achieved, financial education must go hand-in-hand with the provision of information.

### Mandatory information to be made available on securities being issued

One major work stream covered adjustments to the rule set related to information in the prospectus that has to be published when securities are offered to the public or admitted to trading. The overhaul of the Prospectus Directive – initiated by the European Commission in 2009 – reached its final stage in 2010 with “trilogue” negotiations between the Council, Commission and the European Parliament. In the course of the discussions, the EACB successfully defended the standpoint of small and medium-sized co-operative banks that suffer from high costs when offering securities to their retail clients. In the end, the legislation included increased thresholds that will exempt small institutions that issue securities at a low level from the expensive production of a prospectus.

## **B/ RIGHTS AND OBLIGATIONS OF BANKS VERSUS CUSTOMERS AND VICE VERSA**

### In the context of consumer lending

In July 2010, after nearly two years of anticipation, the European Commission announced that it would propose a directive on responsible mortgage lending and borrowing, aimed at enforcing the rights of consumers who take out a home loan. The EACB submitted its response to the Commission's Working Paper outlining the main principles of the upcoming legislation, as well as cooperating with other European banking associations in producing further industry observations. At the European Commission's hearing, the EACB provided further evaluation of the considered legislation from the perspective of market practitioners. In parallel, the EACB engaged in an exchange with the European Parliament Members, and argued that replacing local, personal knowledge with an EU-wide standardised formula for the lending process could lead to results that were contrary to consumers' interests.

The European Commission also launched a consultation on Interest Rate Restrictions aimed at identifying the types of restrictions applicable in Member States, and at analysing their impact on various stakeholders, including consumers. The EACB, in cooperation with other European banking federations, participated in the consultation and submitted written observations to the European Commission. The EACB now anticipates the publication of the final study.

In mid-2010, the EACB closely followed the final stage of the transposition of the Consumer Credit Directive (CCD) and monitored in particular the impact of the decision of more than half of the EU Member States to extend the scope of the CCD to mortgage loans. The EACB, in cooperation with other European banking associations, commented on the GHK consultant's report on the *Establishment of a benchmark on the economic impact of the Consumer Credit Directive on the functioning of the internal market in this sector and on the level of consumer protection* calling for pragmatic approach to the future assessment of the CCD.



### **In the context of consumer contracts in general**

The EACB closely followed the debate on the Commission's Proposal for a Directive on Consumer Rights which took place at the European Parliament and the Council. Having observed the developments around the Proposal, in particular concerning the scope of the Proposal and the level of harmonisation, the EACB sees a real risk of overlaps with the vertical legislation on financial services and has doubts that the Proposal will introduce the desired consistency and clarity of the legal framework for consumers. To address this concern, co-operative banks requested the exclusion of financial services from the scope of the Proposal, with the only exception being unfair contract terms. The EACB was satisfied that some of its amendments were taken on board by several MEPs, and welcomes the direction of the discussions at the Council which decided to exclude financial services from the scope of the future Directive.

The EACB also closely monitored the developments in the area of European Contract Law. Contracts are the basic building blocks for relationships between businesses and consumers; the EACB supports those measures which would bring more legal certainty for businesses and simpler rules for consumers. The EACB also welcomes the admittance of the banking sector to the 'sounding board' which follows the work of the legal experts group.

### **Regarding the possibility for consumers to change banks**

Following the 2009 implementation of the EBIC Common Principles on Bank Account Switching, which set up a scheme assisting consumers to quickly and smoothly switch their current account from one bank to another, in 2010 the EACB focused on co-ordinating the monitoring of the implementation and compliance of the Principles by co-operative banks across the Member States. The EACB also engaged in a review of the principles at the EU level in order to ensure that the scheme is functioning for the benefit of consumers.

### **In the context of consumer market monitoring and consumer strategies**

Co-operative banks across the EU are committed to serve the best interests of their clients. In order to achieve this aim, a good understanding of consumers' needs, expectations and difficulties that they incur in the market is crucial. Thus, in 2010 the EACB monitored the Commission's initiative on harmonised methodology for classifying and reporting consumer complaints, and engaged in a dialogue with the European Commission on the Consumer Market Scoreboard. In addition, in cooperation with the federations of the European Banking Industry Committee (EBIC), the EACB commented on the evaluation of the Commission's consumer policy strategy launched by DG SANCO.

### **With regard to the ownership of securities**

In 2010, additional legislative work focused on a harmonised framework concerning substantive law rules on the holding and disposition of intermediary held securities. As a result of exchanges with the EU member states and as a final step before the publication of a legislative proposal, the Commission published a major market consultation on a Securities Law Directive (SLD) in late 2010. The EACB has created a task force dealing specifically with this topic. The objective of the task force is to serve as a platform for EACB experts in this area to share views, debate and develop positions on aspects that the Commission should take into account. In mid-2011, the SLD proposal is expected to be published.

### **The protection of customer savings**

The financial crisis emphasized the need for Deposit Guarantee Schemes (DGS). The aim of a DGS is firstly to protect consumers. In case a bank fails, consumers will have an assurance that they will retain a certain amount of their deposits. Moreover, it is a means to maintain stability in the banking system. The existence of a DGS can reassure depositors and prevent them from withdrawing their deposits. A DGS thus prevents bank runs which may have severe economic consequences.

The EU legislation laid down certain elements about the amount to be paid back, the timeframe for payouts and the functioning of these DGSs. However, in the direct aftermath it became clear that there were divergent national practices regarding the amount, funding and functioning of these DGSs. The Commission, therefore, took urgent legislative measures to increase the amount and amend certain aspects of the EU legislation dealing with DGSs. This so-called 'emergency' DGS Directive entered into force early in 2009.





In the summer of 2010, the Commission adopted a legislative proposal revising this 2009 Directive on Deposit Guarantee Schemes. The EACB in general supports the aim of the proposal to increase, harmonise and simplify the DGS Directive. However, the EACB considers that significant improvements should still be made particularly in regard to: a) the level of the DGS fund and the corresponding amounts that the banks should contribute to that fund, and b) whether these funds should only be used to pay out depositors in case a bank falls or also to prevent a bank from falling. In addition, the new regulation should allow the continuation of systems that already protect depositors and prevent bank failures.

### **The protection of customer investments**

The Investor Compensation Scheme Directive (ICSD) provides for investment firms' clients receiving services linked to investments to be compensated in specific circumstances where the firm is unable to return the assets it holds on a client's behalf because of fraud, administrative malpractices or operational errors. The financial crises lead to numerous investor complaints about the application of the ICSD especially in the light of some instances of industry fraud, e.g. the Madoff case. In this light, in July 2010, the European Commission has adopted a proposal for a revision of the ICSD. Some of the Commission's suggestions included a significant increase in the level of compensation and target fund level, elimination of the co-insurance principle and an extension of the compensation for claims related to the failure of a third party custodian.

The EACB considers that many aspects of these amendments are not appropriate and fears negative impacts on the securities businesses of co-operative banks due to the resulting huge burdens for the industry. In 2010, the EACB conveyed these concerns on numerous occasions to the European Commission and to selected MEPs in the European Parliament.

## **C/ INFRASTRUCTURES AND SYSTEMS UNDERLYING THE SERVICE OFFER TO CUSTOMERS**

In the area of infrastructures and systems that underpin the service offer of banks to their customers, some fresh initiatives appeared on the radar such as the proposal for legislation covering financial derivatives. Many other initiatives, be they self-regulatory such as SEPA and the *Giovannini* barriers, or regulator-driven, continued on course but progressed in various stages of advancement and debate.

### **Infrastructures underpinning the trade in securities**

#### *The Review of the Directive regulating Markets in Financial Instruments*

In 2010, the European Institutions worked intensely on technical aspects of the Markets in Financial Instruments Directive (MiFID) in the context of its revision. Already at its introduction in 2004, MiFID was a cause for concern for co-operative banks. The provisions of MiFID meant a substantial increase in the administrative burden related to the provision of investment services, which weigh particularly heavy on co-operative banks as a result of their rather decentralized structure and retail focus. The EACB therefore followed the developments in the thinking of the Committee of European Securities Regulators (CESR) and the European Commission with respect to the review of MiFID with great interest. The EACB participated with senior experts from co-operative banks in different workshops and public hearings, provided written input to the different consultations expressing disappointment that a fully-fledged review would already be envisaged so shortly after its full entry into force (2007) but also displayed a constructive attitude to study some elements of the review.

#### *A proposal for legislation on the specifics of the settlement of financial derivatives (EMIR)*

In 2010, the European Commission published a proposal for legislation covering the field of financial derivatives. The main objectives of the European Market Infrastructure Regulation (EMIR) are to ensure that almost all derivatives are cleared via authorised central clearing houses (CCPs), to ensure transparency via reporting obligations to trade repositories, to ensure the safety and soundness of CCPs and to remove barriers preventing links between market infrastructures. Overall, European co-operative banks are supportive of more transparency in the area of derivatives. A major concern, however, is that small and medium-sized banks will have difficulties in meeting the strict requirements for central clearing especially with respect to the costs involved. The EACB therefore called – in talks with the Commission and selected MEPs in the European Parliament – for clear rules ensuring a non-discriminatory access to clearing houses that would also apply to small market participants. In mid-2011, the EMIR is expected to be finalised.



#### *The initiative of the European Central Bank to set up a single European platform for securities settlement*

Target2-Securities (T2S) is an important project operated by the European Central Bank (ECB) aimed at creating a single European platform for securities settlement in central bank money. In early 2010, the ECB enlarged the T2S Advisory Group – the stakeholder forum of the project – and the EACB ensured an additional seat for its members. The EACB was also involved in discussions on the future pricing structure of T2S calling for transparent and simple tariffs and insisting that the prices should not exceed the cost level of current domestic transactions. The governance structure of T2S is going to change in 2011 as soon as the Eurosystem and the involved CSDs will have signed the framework agreement; that is expected to happen in the second quarter of 2011. The EACB has already ensured that all of its members will continue to be present, in the future governance structure, in all relevant stakeholder fora enabling them to voice their concerns as major users of the future services of T2S.

#### *Self regulation with regard to the standardisation of the processing of securities transactions*

The EACB continued its efforts with respect to the self-regulatory harmonization rules affecting the processing of corporate actions and general meeting-related information in order to dismantle the so called *Giovannini* barriers. A new industry structure was put in place for the monitoring of the proper implementation of the elaborated market standards in Europe. Also a major industry workshop was organized to assess the status of the implementation. There was agreement amongst the workshop participants to regain momentum in order to be credible to the public authorities and to show that the private sector could deliver tangible results in a timely manner. As a result of the workshop the industry transmitted a detailed status report to the Commission. In 2011 the work will place a particular focus on the implementation of the general meetings standards.

### **D/ THE CREATION OF AN INTERNAL MARKET FOR PAYMENTS: SEPA**

Accompanied and monitored by both the European Commission and the ECB, the banking industry has been working, since 2002, on an initiative that should lead to the replacement of the different business rules and standards for making payments at national payment level (also referred to as “schemes”) by pan-European ones. This initiative is generally referred to as the Single Euro Payments Area (SEPA). The work on SEPA is a response to a request of the European regulators, who considered that – with the euro having replaced many European currencies – the differences in systems running electronic payments between countries should be removed. It is driven by a specifically created association, called the European Payments Council (EPC), which unites elected representatives of banks and payment institutions and of which the EACB is a founding member.

#### *A new governance body, the SEPA EU Council, supported by EACB*

Early in 2010, the European Commission and the ECB finalised the creation of the so-called SEPA EU Council, which is a specific governance body where the supply and demand sides meet in the presence of the European Commission and Eurosystem to discuss issues related to retail payments in the EU. The EACB welcomed this development and, as a testimony to the importance that it attached to the new body, designated its Chairman to be , as its representative in the SEPA Council. The EACB felt that the first two meetings of the SEPA Council were positive in that they provided for a constructive and fruitful exchange between the different stakeholders in the payments domain. It would seem however, that this newly-established body would still need to find its place among other already existing bodies that address payments.



### *End dates for the migration to SEPA schemes? Yes but under certain conditions*

This discussion revolves around the need to do away with the use of national credit transfer and direct debit schemes, for the benefit of the SEPA Credit Transfer and Direct Debit schemes developed by the EPC. The rationale for taking this step is (macro-) economic: one system means greater economies of scale and opportunities to reduce cost, but also less barriers to intra-EU trade. Achieving this, however, requires that both banks - as suppliers of payment services - and users of such services, change to using the new schemes. While banks are ready for this step, as they were asked to take the lead and have been aware of it for some time, users may not be ready because – as with the changeover to the euro - they are not necessarily interested in changing their habits if they are happy with the current situation. This is why the European Commission decided to develop a legal instrument to achieve this change. From the perspective of the EACB, there were intensive discussions on the content of this legal instrument in 2010. The EACB was, in particular, concerned with the Commission's intention to add requirements to the pan-European schemes as developed by the EPC and with its intention to prohibit an inter-banking charging tool (MIF), necessary to allow retail oriented co-operative banks to recover at least some of the cost of implementing and running the new SEPA Direct Debit scheme.

### *Further self-regulatory work in the EPC*

With the SEPA Credit Transfer Scheme and the SEPA Direct Debit Scheme in place, the payment industry (represented in the EPC) has not stopped its work. On the contrary, further work was done to upgrade the schemes and incorporate demands from users. In addition, in 2010, important efforts were undertaken to bring the work on SEPA for Cards to a new level. Indeed, the EPC made significant headway in the area of standardising the different processes involved in cards transactions. This concerns not only technical issues but also the way in which the governance of this standards development and compliance should work. Furthermore, the EPC has progressed in defining a framework that should facilitate the development of pan-European Internet payment solutions. And finally, it has also taken a next step on mobile payments in that it has adopted a white paper aimed at raising awareness among stakeholders of the issues, present scenarios for use, outline the prioritised categories for mobile payments and specifically analyse mobile contactless SEPA card payments, on which immediate further work is imminent.

## **E/ LAUNCHING E-INVOICING IN THE INTERNAL MARKET**

Electronic invoicing is generally seen as an important driver in the further integration of the European business economy and as a relevant contributor to cost reduction. As an added bonus, it makes business more sustainable by reducing the use of paper. In many EU Member States, electronic invoicing solutions have been developed and implemented. As the European regulator is targeting, however, the creation of a single market in Europe, electronic invoicing should have a pan-European dimension as well. The European Commission spent 2010 in reviewing answers from stakeholders on the consultation launched at the end of 2009 on the final report of its expert group on electronic invoicing. As payment infrastructures are well placed to support electronic invoicing and as co-operative banks in many Member States have been drivers of electronic invoicing solutions, EACB responded to this consultation. Its reactions were rather positive. The EACB, however, considered it to be very disappointing that the Commission subsequently decided to exclude representative from European banking associations from the stakeholder group that it will create to reflect on the further action points to be undertaken.



## CO-OPERATIVE BANKS AS SOCIALLY RESPONSIBLE BANKS

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Following the crisis and the need to restore confidence in the financial sector, the terms responsibility and sustainability have become more relevant than ever. For co-operative banks however, those are not new features; having been created to serve members with a long-term stakeholders' value approach, they have been acting in a responsible and sustainable manner for more than two centuries. In this respect, the EACB is particularly involved in the different initiatives aimed at ensuring responsibility, warning however that a sustainable approach cannot be imposed with legislative measures.

### Access to a basic bank account

The EACB continued to follow closely the Commission's steps concerning the policy of ensuring access to a bank account for all EU citizens. Having contributed to the 2009 consultation focused on how financial inclusion could be improved, in 2010, the EACB provided its feedback to a consultation on the set of principles that could be proposed when developing a future legislative initiative. As the issue of financial inclusion lies within the very core of the co-operative business model, the EACB supports the objective of enabling EU consumers to have access to a basic payment account; however, the EACB considers that the obligatory provision of accounts by banks would not only be disproportionately burdensome, but would also not produce the anticipated results.

### Anti-discrimination

Throughout 2010, the EACB was actively engaged in a dialogue with the European Commission and civil society organisations on the issues of age and disability in the provision of financial services. The EACB actively participated in two meetings of the Anti-discrimination Dialogue in 2010, where it made efforts to clarify when such factors were used as valid actuarial or risk factors rather than discriminatory tools, and actively contributed to - and commented on - the findings and recommendations of the Civil Consulting *Study on the use of age, disability, sex, religion or belief, racial or ethnic origin and sexual orientation in financial services, in particular in the insurance and banking sectors*.

### Financial education

Co-operative banks across the EU are committed to raising the levels of financial literacy of its members, its clients and of local communities as a whole. The EACB continues its engagement in the area of financial education through participation in the European Commission's Expert Group on Financial Education, and follows other relevant developments at an EU level in this area. The EACB believes that for any considered measure, designed to protect consumers, in order to reach its maximum potential, financial education must be enhanced, and thus the EACB regrets that financial education receives little support from consumer advocates.

### Microcredit

Co-operative banks have long been involved in providing microfinance in Europe. In this light, the EACB actively participates in the stakeholders roundtable set-up by the European Commission in 2010 to develop a European Code of Conduct for (non-bank) microfinance providers to be released by mid-2011. The consultation process consists of two forms; a) a survey conducted by email and b) a series of six round table meetings in Brussels in order to discuss relevant parts of the Code of Conduct. The EACB has been following these consultations closely, and shall continue to attend round table discussions throughout 2011.



## Corporate social responsibility

With their long-term approach and stakeholders' value orientation, co-operative banks represent an inclusive and sustainable banking model that has shown itself to be responsible and solid during the crisis. Responsibility is one of the key values of co-operative banks, be it towards its members, towards the community to which they belong to or towards the environment. In this light, in 2010, the EACB coordinated the efforts of its members to perform an inventory of best practices that has materialised in the drafting of the report "Social responsibility in Co-operative banks". Moreover, the EACB has also followed EU developments, including the announcement in early 2010 of a new Commission Communication on CSR (expected in spring 2011), the debate on Economic Social and Governance performance (ESG) and the one on responsible investments, while the Agenda 2020 and the Single Market Act for a sustainable and equitable growth have put a new emphasis on the CSR topics.

## OTHERS

### Social Affairs

Co-operative banks are major employers in Europe at regional and local levels with a total of 750,000 employees. As a consequence, the EACB remains an active player in the European Social Dialogue on Banking (ESDB), the dialogue between employers associations (EACB, EBF and ESBG) and employees (UNI Finance) in the banking sector. During 2010, the dialogue focused on the follow-up of the Lifelong Learning (LLL) project; this was through the drafting of a questionnaire as the basis of a new project to be launched in 2011 to showcase Life Long Learning best practices in enlargement countries in Europe. Life Long Learning has an important function in responding to the requirements for new skills following the crisis. The ESDB also looked at potential new developments deriving from the Commission staff working document "Reassessing European Social Dialogue". The EACB has also participated in a number of studies carried out by Eurofound - and the related conferences - in the context of the social dialogue focussing on the crisis and financial sector challenges and prospects, which generally shed a positive light on co-operative banks.

### Financing of Small and Medium-Sized Enterprises

With an average market share of 20% of loans to SMEs, co-operative banks are among the main providers of finance for the sector. The European Commission, recognising the crucial role of SMEs in driving growth and job creation has set-up – among other important initiatives - a High Level Permanent Forum on SMEs' Finance (HLPF) in order to address the problems of access to funding. The EACB is an active player in the HLPF, launched in September 2010, and its technical working groups. The HLPF gathers together banking industry representatives, venture capitalists, business angels, MEPs, members of the EU Council, the European Investment Bank (EIB) group and SMEs' representatives and it aims to: assess the status of SMEs' financing, gather data, compare existing mechanism, assess the impact on SMEs of new legislation like Basle 3 and Solvency 2, and improve EIB/EIF facilities and equity finance. The EACB underlines the commitment of co-operative banks that remained stable partners for SMEs during the crisis and is currently co-operating with the Commission and the EIB to address the open issues related to size and administrative burden of EIB/EIF facilities with the view of improving eligibility for smaller co-operative local banks. This work is particularly important in the light of the new programming period 2013-2017 of the EU funds for SMEs that will be negotiated during 2011 by the Parliament, Council and Commission with the involvement of the EIB that is mandated to manage the funds.



## COMMUNICATION, RESEARCH AND TRAINING ACTIONS

### A/ PUBLIC EVENTS

In the framework of its communication policy, the EACB has continued 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 – “Co-operative banks: key players in developing green financial products”**

In 2010, as in previous years, the EACB was an official partner of the European week of Regions and Cities co-organised by the Committee of the Regions and the European Commission. Known as Open Days 2010, this event took place in Brussels in October. One of this year's themes was EU 2020 competitiveness and green economic growth. Within this framework, the EACB organised a workshop in which co-operative banks presented concrete projects and best practices on renewable energy, socially responsible investments (SRI) and sustainable finance. 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.

#### **4<sup>th</sup> Convention “Co-operative banks: key drivers to economic recovery”**

In the aftermath of the financial crisis and at the start of a new legislative mandate for the European Commission and the European Parliament, the 4th Convention, that took place at the beginning of April in Brussels, was the occasion to promote co-operative banks and their specific business model in a changing context. Discussions focused on co-operative banks key role in Europe to lead the economic recovery. Marking 40 years of the EACB, this high-level global event was an opportunity for co-operative banks' leaders, policy makers and high level managers to discuss their concerns and reflect on future perspectives of the European banking landscape in the presence of European institutions, international organisations, regulators, academics, think tanks, press and relevant stakeholders. The three roundtables of the Convention focused on: a) the new regulatory framework and its impact on co-operative banks, b) the specific governance of co-operative banks and how it fits in with the EU and international initiatives, and c) the co-operative values whereby co-operative banks are in actual fact, more than just banks.

#### **3<sup>rd</sup> European Forum “Co-operative Banks and SMEs”**

In October 2010, the Hungarian co-operative banks (OTSZ) and the Hungarian SMEs' associations (IPOSZ, OKISZ, KISOSZ and VOSZ) hosted the 3rd edition of the European Forum “Co-operative Banks and SMEs”, in Budapest, focusing on Eastern Europe perspectives, co-organised at a European level by the EACB, the International Confederation of Popular Banks (CIBP) and the European Association of Craft, Small and Medium-sized Enterprises (UEAPME). Micro and small-enterprises in Hungary represent 99.8% of the total number of businesses. However, as in the rest of Central & Eastern European countries they are faced with several challenges linked to access to finance in a post-financial crisis context. Co-operative banks play a crucial role in financing one-third of European SMEs. In the light of this privileged partnership, representatives from the SMEs, co-operative banks and institution's speakers were invited to exchange views on topical issues. The Hungarian Prime Minister honoured the conference with a strong commitment to both the SMEs sector and the co-operative banks that earmarked the event and will be particularly relevant in view of the Hungarian Presidency of the EU, in the first six months of 2011.



## **B / RESEARCH AND SURVEYS**

### **Investigating diversity in the banking Sector in Europe: the role of co-operative banks**

A new Centre for European Policy Studies (CEPS) report was launched in September 2010 analysing the co-operative banking model and the performance of co-operative banks in seven European countries. The report highlighted that, like other commercial banks, co-operatives are in business to make a financial profit; however, they focus on the long-term interests of their members and stakeholders, rather than on short-term profits for shareholders. Against this background, the CEPS's conclusion was that this 'dual bottom line' model enhances stability and diversity in the financial sector. Indeed the study "Investigating diversity in the banking sector in Europe: The role of Co-operative banks" highlighted the importance of maintaining a diverse and pluralistic system of banks in Europe where different business models co-exist, each one pursuing its own specific objectives and values. The value of diversity as a fundamental asset for the European banking sector was pointed out by the CEPS survey. The theoretical and empirical arguments also demonstrated the crucial role played by the co-operative banks business model in terms of local and regional development and the banks' contribution to financial stability and economic performance.

### **The European think tank on co-operative banks**

The network of 15 academics that belong to the European think tank on co-operative banks, launched in 2008, is an important platform to exchange and stimulate research work on the sector. During 2010, a number of papers were started and partly released by the academics on different topics ranging from the performance of co-operative banks in the crisis, the organisational structures and performance of banks, to completion and governance issues. Moreover the EACB has intensified its co-operation with the European Research Institute on Co-operatives and Social Enterprises (EURICSE) that led to offering its assistance in the organisation of the second EURICSE Conference on Co-operative Finance and Sustainable Development scheduled for June 2011.

## **C / 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 the European institutions.

At the same time, the EACB and the Unico Banking Group have rolled out the fourth year of their training programme in European Affairs aimed at senior executives of co-operative banks. The objective is to explain the major current and future challenges that the sector faces and the impact of EU regulation on co-operative banks. More than 150 people have attended these training courses. Furthermore, the EACB 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 a national level by the member organisations, or at European and international levels at the invitation of the European Institutions and international organisations.

Moreover, as a consequence of the financial crisis there is a growing interest of researchers and international organizations in the co-operative banks model due to its resilience and the alternative it provides to the shareholder model. In this respect the EACB has welcomed, during 2010, student delegations, international visitors and the International Monetary Fund (IMF) representatives. The relationship with the IMF, in particular, is likely to grow in the future as it is planned to organize joint annual meetings to deepen the knowledge of the sector.



## ANNEX – GLOSSARY OF ABBREVIATIONS

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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

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1. KEY STATISTICS OF THE ASSOCIATION ON 31.12.2009
2. MEMBER ORGANISATIONS ON 31.12.2010
3. MEMBERS OF THE BOARD AND EXECUTIVE COMMITTEE ON 31.12.2010
4. WORKING GROUPS AND THEIR CHAIRPERSONS ON 31.12.2010
5. SECRETARIAT GENERAL ON 31.12.2010



## 1. KEY STATISTICS 2010 ON 31.12.2009

## Financial Indicators

(When not specified figures

Full Member Organisations <sup>(a)</sup>	Economic indicators			Profitability indicators			
	Total assets (EURO mio)	Total deposits (EURO mio)	Total loans (EURO mio)	ROA (%)	ROE (%)	Cost/Income (%)	Tier 1 Capital Ratio (%)
<b>AUSTRIA</b>							
Österreichische Raiffeisenbanken	260,263	154,960	144,595	0.20	4.7	62.4	7.4
Österreichischer Genossenschaftsverband	66,167	29,190	44,309	n.a.	n.a.	73.3	11.6
<b>BULGARIA</b>							
Central Co-operative Bank	940	779	587	1.24	9.3	72.7	14.6
<b>CYPRUS</b>							
Co-operative Central Bank	19,069	12,777	11,265	0.37	7.9	61.9	10.1
<b>DENMARK</b>							
Sammenslutningen Danske Andelskasser	2,249	1,561	1,380	1.22	11.3	76.0	11.7
<b>FINLAND</b>							
OP-Pohjola Group	80,400	33,200	32,700	0.43	5.9	61.0	12.6
<b>FRANCE</b>							
Crédit Agricole	1,694,000	774,000	828,100	n.a.	n.a.	62.8	9.7
Crédit Mutuel	579,038	219,279	304,153	0.30	6.2	61.6	11.8
BPCE <sup>(c)</sup>	349,000	167,900	122,700	0.30	5.8	78.5	9.1
<b>GERMANY</b>							
BVR/DZ Bank	1,016,513	588,033	560,433	0.65	11.6	63.3	8.3
<b>GREECE</b>							
Association of Co-operative Banks of Greece	4,544	3,611	3,374	1.15	9.8	72.3	n.a.
<b>HUNGARY</b>							
National Federation of Savings Co-operatives	5,155	4,259	2,385	0.65	10.1	67.8	14.1
<b>ITALY</b>							
ANBP	461,846	268,013	357,742	0.80	7.2	55.0	8.7
FEDERCASSE	170,719	148,109	125,408	0.40	3.6	70.2	14.1
<b>LITHUANIA</b>							
Association of Lithuanian credit unions	315	259	173	-3.33	-0.36	1.1	18.3
<b>LUXEMBOURG</b>							
Banque Raiffeisen	5,415	4,405	3,432	0.28	7.5	61.9	7.9
<b>NETHERLANDS</b>							
Rabobank Nederland	607,698	286,338	415,748	0.38	7.5	61.5	13.8
<b>POLAND</b>							
KZBS	15,785	11,723	9,229	1.20	12.7	71.4	9.5
<b>PORTUGAL</b>							
Crédito Agrícola	12,097	10,070	n.a.	0.40	4.3	69.5	11.8
<b>ROMANIA</b>							
Creditcoop <sup>(c)</sup>	159	26	40	n.a.	n.a.	n.a.	n.a.
<b>SLOVENIA</b>							
Deželna Banka Slovenije d.d.	911	625	643	0.05 <sup>(b)</sup>	0.53 <sup>(b)</sup>	76.8	11.8
<b>SPAIN</b>							
Unión Nacional de Cooperativas de Crédito	119,455	98,222	95,589	0.37	4.6	52.8	n.a.
<b>SWEDEN</b>							
Landshypotek <sup>(c)</sup>	5	n.a.	4,1230	n.a.	n.a.	n.a.	n.a.
<b>UNITED KINGDOM</b>							
The Co-operative Bank	51,910	34,699	38,322	0.30	15.1	61.8	9.0
<b>Total (EU 27)</b>	<b>5,523,653</b>	<b>2,852,038</b>	<b>3,102,311</b>				
<b>Associate Member Organisations <sup>(a)</sup></b>							
<b>CANADA</b>							
Desjardins Group	104,807	70,778	73,334	0.69	10.4	74.4	15.9
<b>JAPAN</b>							
The Norinchukin Bank/JA Bank Group <sup>(b)</sup>	548,113	313,070	104,371	0.4	0.9	94	13.9
<b>Total (Non EU 27)</b>	<b>652,920</b>	<b>383,848</b>	<b>177,705</b>				



(refer to the banking groups)

Capital solidity indicators				Other indicators					Market share	
Total Capital Ratio (%)	Long term rating Moody's Fitch		S&P	Nb Employees	Nb Clients	Regional / Local Banks	Banking Outlets	Nb members	Market share deposits (%)	Market share credits (%)
4.70	A	A1	A	32,196	3,600,000	546	1,689	1,650,000	28.6	25.1
17.7	n.a.	A	n.a.	12,846	1,500,000	83	1,056	694,254	8.8	7.4
14.6	n.a.	n.a.	n.a.	2,319	1,123,000	30	263	7,084	3.5	2.2
10.86	n.a.	n.a.	n.a.	2,811	716,683	113	434	605,903	22.0	19.5
11.6	n.a.	n.a.	n.a.	654	127,000	20	67	67,000	0.1	0.1
12.6	AA-	Aa2	AA-	12,504	4,134,000	220	583	1,266,000	33.2	32.7
10.9	AA-	Aa1	AA-	160,000	59,000,000	39	11,500	6,500,000	23.9	21.4
n.a.	A+	Aa3	AA-	72,465	23,300,000	18	5,831	7,400,000	11.9	17.5
11.1	AA-	Aa3	A+	40,855	7,800,000	20	2,938	3,300,000	6.7	7.6
13.0	A+	n.a.	A+	186,719	30,000,000	1,156	13,571	16,400,000	19.3	16.8
11.8	n.a.	n.a.	n.a.	1,294	391,891	16	183	205,495	0.8 (b)	1.1 (b)
15.7	n.a.	n.a.	n.a.	7,518	1,100,000	113	1,560	120,000	10.5	4.2
12.1	n.a.	n.a.	n.a.	83,500	9,500,000	101	9,519	1,160,000	26.0	23.8
15.0	n.a.	n.a.	n.a.	30,460	5,700,000	421	4,242	1,010,805	7.3	7.0
19.2	n.a.	n.a.	n.a.	478	102,403	61	167	101,501	2.0	1.0
8.7	n.a.	n.a.	n.a.	463	123,000	n.a.	49	6,272	11.0	11.0
14.1	AAA	Aaa	AA+	64,495	9,500,000	147	1,010	1,762,000	40.0	30.0
13.8	n.a.	n.a.	n.a.	31,688	n.a.	576	4,416	2,500,000 <sup>(b)</sup>	8.2	5.8
12.7	n.a.	n.a.	n.a.	4,343	1,136,082	11	682	375,617	4.7	3.0
n.a.	n.a.	n.a.	n.a.	2,562	1,103,851	124	n.a.	760,000	1.0	0.7
13.4	n.a.	n.a.	n.a.	405	86,000	n.a.	88	302	2.7	1.6
n.a.	n.a.	n.a.	n.a.	20,722	10,819,586	80	5,079	2,223,603	6.62	5.26
n.a.	n.a.	A2	n.a.	100	69,216	10	n.a.	57,606	n.a.	n.a.
3.7	n.a.	A2	n.a.	11,447	5,083,290	n.a.	334	1,922,689	1.3	1.4
				<b>782,844</b>	<b>176,016,002</b>	<b>3,905</b>	<b>65,101</b>	<b>50,086,815</b>	<b>18.8<sup>(a)</sup></b>	<b>20.1<sup>(a)</sup></b>
15.9	AA-	Aa1	n.a.	42,273	n.a.	481	1,384	5,806,001	43.1	32.5
19.3	A+	Aa3	n.a.	229,189	n.a.	719	9,337	4,832,148	10.50	7.4
				<b>271,462</b>	<b>n.a.</b>	<b>1,200</b>	<b>10,721</b>	<b>10,638,149</b>		



## Co-operative Indicators

(When not specified figures refer to the domestic / local banks)

	GOVERNANCE	EMPLOYMENT		SMEs' FINANCING		TERRITORY COVERAGE	
Full Member Organisations <sup>(a)</sup>	Members / clients ratio	Nr. of New employees hired this year	Expenses staff training / payroll (%)	SMEs loans on total loans (%)	Market share of loans to SME (%)	Nr. of clients / Nr. branches	Market share of ATM's (%)
<b>AUSTRIA</b>							
Österreichische Raiffeisenbanken	46%	106	2.1%	n.a.	39.0%	1,611	42.0%
Österreichischer Genossenschaftsverband	87%	n.a.	n.a.	32.0%	7.6%	1,465	10.7%
<b>BULGARIA</b>							
Central Co-operative Bank	63%	433	0.3%	15.0%	n.a.	4,270	12.9%
<b>CYPRUS</b>							
Co-operative Central Bank	86%	158	n.a.	12.9%	n.a.	1,651	26.0%
<b>DENMARK</b>							
Sammenslutningen Danske Andelskasser	53%	5	51.0%	62.0%	0.1%	1,666	n.a.
<b>FINLAND</b>							
OP-Pohjola Group	31%	-248	2.4%	n.a.	n.a.	7,091	n.a.
<b>FRANCE</b>							
Crédit Agricole	n.a.	2,905	5.6%	10.1% <sup>(c)</sup>	36.0%	2,605	29.0%
Crédit Mutuel	66%	2,622	n.a.	n.a.	n.a.	3,996	14.3%
BPCE <sup>(b)</sup>	42%	2,700	6.8%	46.0%	8.2%	2,655	8.6%
<b>GERMANY</b>							
BVR/DZ BANK	55%	240 <sup>(c)</sup>	1.9%	26.4%	27.1%	2,182	36.5%
<b>HUNGARY</b>							
National Federation of Savings Co-operatives	11%	310	1.0%	31.8%	5.2%	705	16.1%
<b>ITALY</b>							
Assoc. Nazionale fra le Banche Popolari	12%	1,150	1.0%	49.0%	26.3%	998	28.0%
FEDERCASSE	18%	538	n.a.	n/a	n.a.	1,344	n.a.
<b>LITHUANIA</b>							
Association of Lithuanian credit unions	99%	32	n.a.	11.4%	n.a.	613	0.0%
<b>LUXEMBOURG</b>							
Banque Raiffeissen	5%	6	1.4%	19.3%	8.0%	2,519	14.7%
<b>NETHERLANDS</b>							
Rabobank Nederland	23%	4,800	2.5%	14.1%	41.0%	7,444	35.0%
<b>POLAND</b>							
Krajowy Związek Banków Spółdzielczych	n.a.	423	n.a.	22.0%	13.0%	n.a.	17.0%
<b>PORTUGAL</b>							
Crédito Agrícola	35%	50	0.5%	n.a.	n.a.	1,666	10.5%
<b>SLOVENIA</b>							
Deželna Banka Slovenije d.d.	n.a.	16	0.7%	64.7%	1.6%	869	2.1%
<b>SPAIN</b>							
Unión Nacional de Cooperativas de Crédito	21%	-218	n.a.	n.a.	n.a.	2,130	3.8%
<b>UNITED KINGDOM</b>							
The Co-operative Bank	38%	979	n.a.	0.6% <sup>(d)</sup>	2.0% <sup>(d)</sup>	15,219	3.5%
<b>Associate Member Organisations <sup>(a)</sup></b>							
	Members / clients ratio	Nr. of New employees hired this year	Expenses staff training / payroll (%)	SMEs loans on total loans (%)	Market share of loans to SME (%)	Nr. of clients / Nr. branches	Market share of ATM's (%)
<b>CANADA</b>							
Desjardins Group	100%	2,183	2.7%	6.3%	n.a.	4,195	n.a.

a) Selected members whose co-operative data are available b) 2007 Data c) Group Data d) Using the BBA definition of SMEs



## 2. MEMBER ORGANISATIONS ON 31.12.10

### 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 Co-operative 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

Baneskallet 1, Hammershøj | DK – 8830 Tjele

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

www.sda.dk

#### Finland

OP-Pohjola Group

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

50, avenue Pierre Mendès | F - 75201 PARIS Cedex 13

Tel.: +33 1 58 40 41 42 | 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 – 1125 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 Zwiasek 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.  
R. Professor Henrique Barros, Nº 4, 7º | P - 2685-338 PRIOR VELHO  
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

## 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

### Lithuania

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

## 3. MEMBERS OF THE BOARD AND EXECUTIVE COMMITTEE ON 31.12.10

### PRESIDENT

P. MOERLAND, *Rabobank Nederland*

### BOARD

G. HOFMANN (Vice-President), *Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR*  
Ch. TALGORN (Vice-President), *Fédération Nationale du Crédit Agricole*  
M. COMOLI, *Associazione Nazionale fra le Banche Popolari*  
R. BORNS, *Österreichischer Genossenschaftsverband (Schulze-Delitzsch)*

### 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)*

#### Bulgaria

G. KONSTANTINOV, *Central Co-operative Bank*

#### Canada

M. LEROUX, *Mouvement des caisses Desjardins*

### Spain

Unión Nacional de Cooperativas de Crédito  
Alcalá 55, 3ª derecha | E - 28014 MADRID  
Tel.: +34 91 781 94 18 | Fax: +34 91 578 38 24  
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

### Japan

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

### Switzerland

Raiffeisen Schweiz  
Floraweg, 2 | CH - 6003 LUZERN  
Tel.: + 41 71 225 88 88 | Fax: +41 71 225 88 87  
www.raiffeisen.ch

### Cyprus

E. CHLORAKIOTIS, *Co-operative Central Bank Ltd*

### Denmark

V. RAUN, *Sammenslutningen Danske Andelskasser*

### Finland

M. KOPONEN, *OP-Pohjola Group*

### France

Ch. TALGORN, *Fédération Nationale du Crédit Agricole*  
P. BRASSAC, *Fédération Nationale du Crédit Agricole*  
B. CORBEAU, *Fédération Nationale du Crédit Agricole*  
A. AUCOIN, *Fédération Nationale du Crédit Agricole*  
F. PEROL, *BPCE*  
E. PFLIMLIN, *Confédération Nationale du Crédit Mutuel*

### Germany

U. FRÖHLICH, *Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR*  
G. HOFMANN, *Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR*  
W. KIRSCH, *DZ BANK AG*  
St. GÖTZL, *Genossenschaftsverband Bayern e.V.*

### 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

S. FURUYA, *The Norinchukin Bank*

#### 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

R. FEITOR, *Caixa Central de Crédito Agrícola Mutuo*

#### Romania

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. HEDMAN, *Landshypotek AB*

## 4. WORKING GROUPS AND THEIR CHAIRPERSONS ON 31.12.10

### Co-ordination of Banking Law

R. BORNIS

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

Rabobank Nederland

## 6. SECRETARIAT GENERAL ON 31.12.10



**Mr. Hervé GUIDER**  
*General Manager*  
 h.guider@eurocoopbanks.coop

LEGAL DEPARTMENT	RETAIL BANKING, PAYMENTS, FINANCIAL MARKETS DEPARTMENT	COMMUNICATION AND RESEARCH	SECRETARIAT
<p><b>Mr. Volker HEEGEMANN</b>  <i>Head of Department</i>                      v.heegemann@eurocoopbanks.coop</p>	<p><b>Ms. Marieke van BERKEL</b>  <i>Head of Department</i>                      m.vanberkel@eurocoopbanks.coop</p>	<p><b>Ms. Elisa BEVILACQUA</b>  <i>Senior Adviser for Research &amp; Communication</i>                      e.bevilacqua@eurocoopbanks.coop</p>	<p><b>Ms. Eveline HUBER DE VOS</b>  <i>Office Manager</i>                      e.devos@eurocoopbanks.coop</p>
<p><b>Mr. Xavier GOMILA</b>  <i>Adviser for Banking Supervision</i>                      x.gomila@eurocoopbanks.coop</p>	<p><b>Mr. Alessandro SCHWARZ</b>  <i>Adviser for Financial Markets</i>                      a.schwarz@eurocoopbanks.coop</p>	<p><b>Mr. Robin PITT</b>  <i>Trainee Assistant for Communication &amp; Research</i>                      r.pitt@eurocoopbanks.coop</p>	<p><b>Ms. Nathalie CORBISIER</b>  <i>Assistant</i>                      n.corbisier@eurocoopbanks.coop</p>
<p><b>Ms. Johanna CARIOU</b>  <i>Adviser for Accounting &amp; Audit</i>                      j.cariou@eurocoopbanks.coop</p>	<p><b>Ms. Katarzyna KOBYLINSKA</b>  <i>Adviser for Retail Banking &amp; Consumer Policy</i>                      k.kobylinska@eurocoopbanks.coop</p>		
<p><b>Ms. Wae-San CHAN</b>  <i>Adviser Company &amp; Banking Law</i>                      w.chan@eurocoopbanks.coop</p>			







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