



Press Release: EACB Statement on Basel III

Brussels, 08 December 2017 – The **European Association of Cooperative Banks** (EACB) takes note of the endorsement of a set of amendments to the Basel III capital framework by the Group of Governors and Heads of Supervision (GHOS), the oversight body of the Basel Committee on Banking Supervision, which once again modifies the capital requirements for banks with the imposition of an output floor. The European transposition should restrict the application of this output floor to the highest level of consolidation for each banking group.

EACB warmly welcomes the intention of the European Commission to submit the new framework to a thorough and detailed impact assessment and consultation by stakeholders. Indeed the European authorities have to check that these amendments will not have an undue impact on the financing of the European economy, growth and jobs, respect the diversity of business models (loan to income), and that it will not give a competitive advantage to other jurisdictions.

„Europe’s cooperative banks are well capitalized and stable, and banks will be able to cope with the revised Basel III standards“ said **Gerhard Hofmann, President of the EACB**, *„However, we cannot exclude that the new rules will affect the lending of cooperative banks to the economy especially as a consequence of reduced risk sensitivity due to the output floors.“*

Furthermore, the EACB equally underlines the danger of serious distortions of competition if the Basel III framework including more restrictive rules on the trading book were not implemented in all major jurisdictions in the world.

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About the EACB: The **European Association of Co-operative Banks** ([EACB](http://www.eachb.coop)) is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 27 member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks’ business model. With **3,135 locally operating banks and about 58,000 outlets** co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving **209 million customers**, mainly consumers, retailers and communities. The co-operative banks in Europe **represent 80,5 million members** and 733,000 employees and have a **total average market share of about 20%**.

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The voice of 3.135 local and retail banks, 80 million members, 209 million customers in EU

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