

PRESS RELEASE

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Banking Industry shows Substantial Progress on Corporate Action Processing

The European Banking industry issued today its implementation status report on the dismantling of Giovannini Barrier 3 on corporate actions processing, announcing significant progress (60% implemented in 15 markets). The Banking industry will continue to promote and monitor the implementation of the standards in order to reach a full harmonization in Europe.

The three European Credit Sector Associations (ECSAs) – the **European Banking Federation (EBF)**, the **European Savings Banks Group (ESBG)** and the **European Association of Co-operative Banks (EACB)** – presented their implementation status report to the European Commission on the occasion of the Cesame II group meeting. The Commission welcomed the report and the progress made in the implementation process.

The report is part of the mandate – given to the ECSAs by the Giovannini Group – to dismantle a major technical barrier (the *Third Barrier*) that hampers an efficient cross-border functioning of clearing and settlement arrangements in Europe. The Third Barrier covers differences between EU member states in the rules governing corporate actions comprising a broad range of topics with an impact beyond pure settlement problems. Securities experts from all relevant stakeholders joined forces to elaborate a single set of market standards for the operational processing of all categories of corporate actions. Once implemented, the standards will eliminate the Giovannini Barrier 3.

The overall status of the implementation is very positive: 60% of the standards are already implemented. Of the remaining issues the largest part depends on legal barriers in single countries, which require changes in local law. In addition there are dependencies on major infrastructure projects like TARGET2-Securities (T2S) or the Euroclear Single Platform (SP). The ECSAs are anyhow confident that the issues can be solved. None of the dates mentioned for implementation in the report are beyond 2010 with the exception of those ones linked to major projects T2S and SP.

Guido RAVOET, Secretary General of the EBF, highlighted: *“The report demonstrates the commitment of the ECSAs to coordinating and monitoring private sector actions to improve efficiency in domestic and cross-border corporate actions in Europe.”*

Chris DE NOOSE, Managing Director of the ESBG, stated: *“The countries included in the report cover by far the largest share of securities transactions in Europe. The ECSAs will continue to actively promote the standards within their membership with the final goal of implementing them in all member states of the European Union, the European Economic Area and Switzerland.”*

Hervé GUIDER, General Manager of the EACB, said: *“The ECSAs will further contribute with their in-depth expertise to an efficient monitoring of the implementation of the markets standards on corporate actions processing in order to reach a full harmonisation of practices in this area. The ECSAs realise that all stakeholders have their role to play in this process at European and national level and are aiming to broaden and deepen the involvement of national implementation groups in this process.”*

The report is available on the websites of CESAME II group of the European Commission (http://ec.europa.eu/internal_market/financial-markets/clearing/cesame2_en.htm) and on the websites of the three ECSAs.



EUROPEAN BANKING FEDERATION



EUROPEAN SAVINGS BANKS GROUP



EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS

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About the ECSAs:

Set up in 1960, the **European Banking Federation** (EBF) is the voice of the European banking sector. The EBF represents the interests of some 5,000 European banks from 31 EU and EFTA countries: large and small, wholesale and retail, local and cross-border financial institutions. It aims at establishing a true single market for financial services and works toward positioning the European banking industry within the European and global regulatory frameworks.

Please visit <http://www.ebf-fbe.eu> for more information.

The **European Savings Banks Group** (ESBG) represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of € 5,215 billion (1 January 2006). ESBG members are typically savings and retail banks or associations thereof. They are often organized in decentralized networks and offer their services throughout their region. ESBG member banks have reinvested responsibly in their region for many decades and are one distinct benchmark for corporate social responsibility activities throughout Europe and the world.

Please visit <http://www.savings-banks.com> for more information.

The **European Association of Co-operative Banks** (EACB) is the voice of the co-operative banks in Europe. It represents, promotes and defends the common interests of its 28 member institutions and of co-operative banks in general. With 4.200 locally operating banks and 63.000 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 160 million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 50 million members and 750.000 employees and have a total average market share of about 20%.

Please visit <http://www.eurocoopbanks.coop> for more information.