

Press Release

REGIONAL CREDIT INSTITUTIONS CALL FOR BETTER REGULATION, DIFFERENTIATED ACCORDING TO RISK CONTENT AND SIZE

Berlin, 9 March 2017 – Co-operative banks and savings banks are important for economic development, stability and trust

Appropriate regulation, differentiated according to risk content and size, which takes account of their importance for the economy and for society – this is what savings banks and co-operative banks called for today in Berlin. At a joint conference in Berlin, the German Savings Banks Association (DSGV), the Federal Association of German Co-operative Banks (BVR), the World Savings Banks Institute (WSBI) and the European Association of Co-operative Banks (EACB) discussed the contribution made by their banks with a view to the concerns of Germany's G20 Presidency. They requested that the right course be set at international level for the reasonable regulation of small credit institutions and institutions with simple business models.

“We need better, differentiated regulation. Large, internationally operating banking groups need to be closely monitored as they pose a major risk of contagion. However, for traditional retail banks of a moderate size and with a simple business model, slimmed-down rules are sufficient to ensure the same level of security. For this reason, we advocate a “small and simple banking box” for banking regulation” said Georg Fahrenschon, President of the German Savings Banks Association (DSGV).

“Our motto is stability through diversity”, said Uwe Fröhlich, President of the Federal Association of German Co-operative Banks (BVR). “In the upcoming regulatory projects such as the implementation of Basel III in the CRR/CRD review, proportionality for small and medium-sized banks must be a key approach.”

“The savings and retail banks that are members of the WSBI play a crucial role in sustainable economic growth in local communities. They are an important force when it comes to economic participation, whether through a local bank's connection with households or local businesses”, said Heinrich Haasis, Chairman of the World Savings Banks Institute and Chairman of the Savings Banks Foundation for International Co-operation.

Gerhard Hoffmann, President of the European Association of Co-operative Banks (EACB) emphasised: “Rules for banks must be effective, but the European Union must also attach greater importance to efficiency in regulation. Much would be gained if financial stability could be achieved with lower administrative expense, and hence at a lower cost for national economies.”

The **German Savings Banks Association (DSGV)** represents the interests of 396 savings banks in Germany, as well as the interests of Landesbanken and associated institutions of the Savings Banks Finance Group. One out of two Germans uses the services of a savings bank as their principal bank. About 43 percent of loans to the real economy in Germany come from a saving bank or a Landesbank.

The **Federal Association of Co-operative Banks (BVR)** is an umbrella organisation in the banking sector which defends the interests of the co-operative banking group at national and international level. The roughly 1,000 co-operative banks in Germany serve over 30 million customers, of which 18.3 million are members who hold shares in the credit unions. Hence, the ownership structure of the co-operative banking group is very broadly based and completely in private hands.
www.bvr.de

The **World Savings Banks Institute (WSBI)** brings together savings and retail banks from 80 countries, representing the interests of approximately 6,000 banks on all continents. As a global organisation, the WSBI focuses on issues of global importance affecting the banking industry. It supports the aims of the G20 in achieving sustainable, inclusive and balanced growth and job creation around the world, whether in industrialised or less developed countries.
www.wsbi.com

The **European Association of Co-operative Banks (EACB)** defends the interests of the 4,056 co-operative banks with approx. 59,000 branch offices in Europe. Co-operative banks in Europe have 210 million customers, of whom 79 million are members. 31 organisations, associations and companies are affiliated to the EACB. The German members are the BVR and DZ BANK.
www.eacb.eu

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