



European Association of Co-operative Banks  
Groupement Européen des Banques Coopératives  
Europäische Vereinigung der Genossenschaftsbanken



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### **EACB Press Release:**

### **European co-operative banks call for revision of Liquidity Coverage Ratio within the Trilogue**

*Brussels, 24 September 2012* –The European Association of Co-operative Banks (EACB) emphasized today its concerns regarding the Liquidity Coverage Ratio (LCR) and urged the parties to the Trilogue on the Capital Requirements Regulation (CRR) not to take hasty decisions but rather review the parameters of the suggested new liquidity requirements.

Christian Talgorn, President of EACB pointed out: *"The Basel Committee is currently working on a review of its 2010 decisions. When implementing Basel III, the EU should not take hasty decisions and give signals that prejudice financial markets, but reconsider certain elements of the suggested text of the CRR"*

In fact, the Basel Committee is currently involved in discussions on a review of the Liquidity Paper of the Basel III package. EU regulators should not decide in advance on the detailed provisions of any ratios, but rather wait for the outcome of the decisions that are expected for early 2013. The Trilogue should not prejudge the process by resulting in the adoption of overly restrictive provisions. Once adopted such rules would lead to repercussions on the market. According to Mr. Talgorn co-operative banks could be affected more than any other banks: *"Co-operative Banks are mostly local banks, strongly involved in financing local communities, SMEs and private households. Overly restrictive rules regarding the LCR would seriously affect their business and group structures. As soon as any planned ratios and other parameters become public, they will lead to reactions of the market that will anticipate their formal implementation. This has to be avoided."*

The EACB strongly advocates the extension of the scope of highly liquid assets to also cover other assets that proved to be liquid and other available liquid funding or credit facilities from the central banks as well as from central credit institution or other institutions that are members of the same co-operative group. Moreover, EACB demands that the LCR calibration should take into account the different business models and group structures of co-operative banks. A special treatment should be provided for the liquidity systems of co-operative banks which proved to be stable during the financial crisis. In this way disproportionate effects on co-operative banks could be avoided.

### **EACB Contact:**

General Manager: Herve GUIDER (Tel: +32 2 286 98 40),

[h.guid@eurocoopbanks.coop](mailto:h.guid@eurocoopbanks.coop)

Head of Communications & Research: Elisa BEVILACQUA (Tel +32 2 286 98 42),

[e.bevilacqua@eurocoopbanks.coop](mailto:e.bevilacqua@eurocoopbanks.coop)

### **About the EACB:**



*European Association of Co-operative Banks  
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The European Association of Co-operative Banks (EACB) has been the voice of co-operative banks since 1970. It represents, promotes and defends the common interests of its 28 member institutions and of co-operative banks in general. Co-operative banks form decentralized networks which are subject to banking as well as co-operative legislation. With 4,000 locally operating banks and 65,000 outlets, co-operative banks play a major role in the financial and economic system. They serve more than 181 million customers, mainly consumers, SMEs and communities. Europe's co-operative banks represent 50 million members and 777,500 employees and have an average market share of about 20%. Their resilience during the crisis make co-operative banks a key driving force in the economic recovery.

**Website:** [www.eacb.eu](http://www.eacb.eu)