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**PRESS RELEASE EACB**

**Co operative Banks : Thinking beyond the public company**

*Brussels, 14 September 2010* – The launch of the new CEPS study on study “Investigating Diversity in the banking Sector in Europe: The role of Cooperative banks”<sup>1</sup> has offered a further occasion to reflect on 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 has been pointed out by the CEPS survey as well as the crucial role played by the co-operative banks business model in terms of local and regional development and their stable financial and economic performance. Hervé Guider, General Manager of the EACB has declared that “Cooperative banks, less pressed by short term shareholder expectations, have a strong capitalisation and take a long term perspective in their operations, as a consequence of which they managed to avoid many of the mistakes that were made in the crisis. In many countries they supply the small and medium-sized enterprises and many households with their credit needs.”.

In addition, the importance to maintain this valuable diverse and pluralistic banking industry in Europe and the creation of a real level playing field should not be damaged by any EU regulation. Consequently, Hervé Guider appeals the EU regulators to properly reflect cooperative banks specificities in the legislation. The drafting of the CRD4, the debates on the Deposit Guarantee Schemes and the Governance of the Financial institutions will offer an opportunity to transpose the “diversity concept” in the legislation and to think beyond the public company.

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**About the EACB:**

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 27 member institutions and of cooperative banks in general. Co-operative banks form decentralised networks which are subject to banking as

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<sup>1</sup> The full report can be downloaded from the URL: <http://www.ceps.eu/book/investigating-diversity-banking-sector-role-of-cooperative-banks>



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well as co-operative legislation. With 4,200 locally operating banks and 65,000 outlets, co-operative banks playing a major role in the financial and economic system. In their long tradition, they serve more than 160 million customers, mainly consumers, SMEs and communities. Europe's cooperative banks represent 50 million members and 750,000 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. [www.eurocoopbanks.coop](http://www.eurocoopbanks.coop)