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**EACB PRESS RELEASE**

**Co-operative banks concerned about possible impact of new regulation.**

*Brussels, 8 April 2010* – Co-operative banks have demonstrated throughout the recent turmoil that they are a stable and resilient driving force for local European economies. They are, however, at risk of being widely impacted by the new EU and international regulatory framework. This is one of the key messages that emerged today (8 April 2010) at the 40<sup>th</sup> anniversary celebration of the European Association of Co-operative Banks (EACB). More than 300 representatives of European co-operative banks from 28 countries, politicians and executive managers attended the fourth convention of the European Association of Co-operative Banks (EACB).

**“With their characteristic long-term orientation and unique capital and governance structure, co-operative banks operate based on a business model that is different from the mainstream banking model,”** said Piet Moerland, President of the EACB and Chairman of Rabobank Nederland. “The primary purpose of a co-operative bank is to promote the economic interests of its members and clients rather than to generate maximum profit for the shareholders. Our banks are focused mainly on traditional retail banking and serving households and SMEs. Their sustainable approach and their solidity have proven to be an important asset to the financial system during these turbulent times because they have contributed to sustaining the real economy at the local level and have acted as a key driving force for the recovery.”

Hervé Guider, General Manager of the EACB, commented during the luncheon: “While recognising the importance of concerted regulatory initiatives at the international level to restore confidence and ensure a well-functioning banking system, there is a middle way between overregulation and self-regulation in the respect of various banking business model and fair competition rules. Careful consideration should particularly be given to the specific characteristics of the shares of co-operative banks, whether it be in the

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*The voice of 4,200 local and retail banks, 50 million members, 160 million customers*

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context of reviewing the definition of capital, IFRS (accounting), prudential banking supervision or corporate governance measures.”

Gianni Pittella, First Vice President of the European Parliament, stressed that: “The need for a pluralistic structure in the European banking market is more obvious today than ever before. In the interest of both European firms and European consumers, only the co-existence of different structures and sizes guarantees efficient and competitive financial actors. Europe needs an accountable and solid set of banks that are well-capitalised and well-connected to the regions, the economic tissue and the real economy. This is the way to ensure a balanced and diverse banking sector and macroeconomic stability. Co-operative banks have a fundamental role to play in this respect.”

The annual convention serves as a forum for discussing the current challenges and perspectives facing co-operative banks in Europe. This year’s convention is also marking the 40<sup>th</sup> anniversary celebration of the EACB. -----

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*More details on the EACB convention are available at [www.eacbconvention2010.eu](http://www.eacbconvention2010.eu) and on the EACB website [www.eurocoopbanks.coop](http://www.eurocoopbanks.coop)*

#### About the EACB

The European Association of Co-operative Banks (EACB) has been the voice of co-operative banks at the European level since 1970 and more recently at the international level. It represents, promotes and defends the common interests of its 28 member institutions in particular and co-operative banks in general. Co-operative banks form decentralised networks that are subject to both banking and co-operative legislation. With 4,100 locally operating banks and 65,000 outlets, co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system based on a long-term approach. Throughout their long tradition, they have served 176 million customers, mainly consumers, SMEs and communities. Europe’s co-operative banks represent 50 million members and 750,000 employees and have an average market share of approximately 20%. [2008 figures]