



EACB Press Release:

Representatives of EU banking sector together with non-bank lenders, insurers, consumers and businesses stakeholders gather at a virtual roundtable meeting organised by the Commission to discuss the impact of Covid-19.

Thursday, 28th May 2020 – Today, the **European Association of Co-operative Banks (EACB)**, together with the other banking sector representatives, consumers and businesses stakeholders participated to the first roundtable meeting organised by the **European Commission** to kick-start a dialogue on practical relief measures taken by the financial sector to alleviate the impact of the **COVID-19 crisis** on consumers and businesses.

Participants had the opportunity to expose and exchange on practical implementation of relief measures, their uptake, impact on their activity, and their effectiveness. Discussions could also give some light to what the problems related to the provision of these measures are and what possible gaps as well as bottlenecks exist, what can be improved when it comes to the measures already in place and what other targeted initiatives by the financial sector could be useful.

Co-operative banks were represented by **Gerhard Hofmann, President of the EACB**, who stated: *“Co-operative banks welcome the dialogue launched by the Commission. We are collectively facing an extraordinary situation due to the Corona crisis that will affect all stakeholders and which requires agility, swift and bold reactions. We believe that, in order to preserve trust and ensure that banks can fully support the business eco-system, coordination among public authorities and the banking sector is essential.*

It is also key to ensure that the regulatory framework is applied with its built-in flexibility. Moreover, targeted regulatory adjustments should take a holistic perspective. The overall goal should be to ensure that there is no misalignment between the incentives of nationally legislated financing support programmes and the efforts of ECB monetary policy on one side and the regulatory constraints on the other. Co-operative banks express their will to contribute hand in hand with the European institutions on the way back to a full recovery and a sustainable economy.

Meaningful regulatory adjustments should comprise a review of the leverage ratio with the goal to exempt deposits held with national central banks, holdings of government bonds as well as promotional lending and guarantees from the calculation base for the bank levy. It would indeed be counterproductive if banks who now support the real economy by extending government sponsored programmes to SMEs end up with higher contributions to the Single Resolution Fund. As a general measure the Single Resolution Board should postpone the payment plan to build-up of the Single Resolution Fund due to the Corona crisis by one year,

The voice of 2.800 local and retail banks, 84 million members, 209 million customers in EU

EACB AISBL – Secretariat • Rue de l'Industrie 26-38 • B-1040 Brussels

Tel: (+32 2) 230 11 24 • Fax (+32 2) 230 06 49 • Enterprise 0896.081.149 • lobbying register 4172526951-19
www.eacb.coop • e-mail : secretariat@eacb.coop



as the currently high contributions impair banks' ability to lend and have a clear procyclical effect. If deemed necessary, the European legislator should initiate changes in the legislation."

In this situation, co-operative banks remind that they are fully mobilized to support the financing of the real economy and allow members and customers to get through this difficult period. At this moment in time it is key to provide reliable payment services and online-banking solutions. Co-operative banks are committed by nature to fully support the local economy and can act as stabiliser in times like these. Co-operative banks are fully integrated in efforts to issue new loans, extend payment deadlines and provide liquidity to their corporate customers and SMEs. Also in the current situation, co-operative banks are a driver of local and social stability with 2.800 locally operating banks and 52,000 outlets, they serve 209 million customers, mainly consumers, SMEs and communities.

Initiatives undertaken by Co-operative banks, members of the EACB, are gathered on a dedicated section of the EACB website: "[Covid-19: Cooperation Banks' actions](#)".

EACB Contact:

General Manager: Herve GUIDER (Tel.: +32 2 286 98 40),
h.guid@eachb.coop

Head of Communications & Research: Elisa BEVILACQUA (Tel.: +32 2 286 98 42),
e.bevilacqua@eachb.coop

About the EACB:

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 27member institutions and of co-operative banks in general. Co-operative banks form decentralised networks which are subject to banking as well as co-operative legislation. Democracy, transparency and proximity are the three key characteristics of the co-operative banks' business model. With 2,800 locally operating banks and 52,000 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 209million customers, mainly consumers, retailers and communities. The co-operative banks in Europe represent 84million members and 742,000 employees and have a total average market share of about 20%.

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