



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

Activities Report 2005

An Association on the move



MEMBER ORGANISATIONS

Austria			Fachverband der Raiffeisenbanken	Österreichischer Genossenschaftsverband (Schulze-Delitzsch)
Belgium				Crédit Professionnel – BKCP
Cyprus				Co-operative Central Bank Ltd
Denmark				Foreningen Danske Andelskasser
Finland				OP Bank Group
France				Confédération Nationale du Crédit Mutuel Fédération Nationale du Crédit Agricole Groupe Banque Populaire
Germany				Bundesverband der Deutschen Volksbanken und Raiffeisenbanken BVR DZ BANK AG
Greece				Association of Cooperative Banks of Greece
Hungary				National Federation of Savings Co-operatives (OTSZ)
Ireland				Irish Sea Fisheries Board
Italy				Associazione Nazionale fra le Banche Popolari Federazione Italiana delle Banche di Credito Cooperativo - Casse Rurali ed Artigiane
Lithuania				Lithuanian Central Credit Union
Luxembourg				Banque Raiffeisen
Netherlands				Rabobank Nederland
Poland				Krajow Związek Bankow Spoldzielczych - KZBS
Portugal				FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, F.C.R.L.
Spain				Unión Nacional de Cooperativas de Crédito
Sweden				Landshypotek AB
United Kingdom				The Co-operative Bank p.l.c.
Switzerland				Schweizer Verband der Raiffeisenbanken
Bulgaria				Central Cooperative Bank
Romania				Creditcoop Casa Centrala



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The European Association of Co-operatives Banks (EACB) in brief

WHO WE ARE

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 30 member 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. Thanks to these characteristics co-operative banks act as the driving force behind sustainable and responsible development, placing the individual at the heart of their activities and organisation. In so doing, they widely contribute to the national and European economic and social objectives laid down in the Lisbon Agenda.

With 4,500 locally operating banks and 60,000 outlets co-operative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. In Europe one out of two banks is a co-operative. Co-operative banks have a long tradition in serving 140 million customers, mainly consumers, retailers and communities. They have also developed strong footholds in the corporate market, providing services to large international groups. The co-operative banks in Europe represent 60 million members and 720,000 employees and have a total average market share of about 20%.

WHAT WE DO

Since its creation in 1970, the Association has served the interests of co-operative banks as their official spokesman at the institutions of the European Union. EACB principal goals are:

- ★ informing its 30 member organisations on all European Union measures and initiatives which affect the banking sector;
- ★ facilitating an exchange of views and experiences, and coordinating the positions taken by member organisations;
- ★ maintaining active lobbying towards the European authorities;
- ★ developing positions on problems of common interest.

In addition, the Association ensures cooperation between the European co-operative banking groups, as well as promoting the development of co-operative ideas within the banking sector, and within representative co-operative organisations in general. The Association is a founding member of the European Banking Industry Committee (EBIC), the European Payments Council (EPC), the European Committee for Banking Standards (ECBS) and the European Financial Reporting Advisory Group (EFRAG).

It maintains privileged links with the Unico Banking Group and the International Confederation of Popular Banks (CIBP), and it is also a founding member of the Co-ordinating Committee of European Union Co-operative Associations (CCACE). Furthermore it presides over the European Regional Committee of the International Co-operative Banking Association (ICBA). Finally, the Association maintains close links with the International Raiffeisen Union (IRU), the International Confederation of the Crédit Agricole (CICA) and the World Council of Savings and Credit Unions (WOCCU).

For further details, please visit www.eurocoopbanks.coop



Introduction by the President

The past year has been one of intense activity for the European Association of Co-operative Banks in the service of its members and with their active support.

In regard to lobbying, the co-operative banks have taken an active part in the final stages of the transposition of the Basle II Accord into the draft directive on capital requirements. Indeed, in the initial version proposed by the European Commission, from the standpoint of balancing competition between banks, no account had been taken of the specific mechanisms of co-operative networks in terms of internal solidarity and liability, as much for groups which apply accounting consolidation as for others. Co-operative establishments saw their internal refinancing system penalised, even when merely returning to a measure implemented in the previous versions. It is on this basis in particular that the Association has undertaken an awareness campaign within the European Parliament. In the end, the text adopted proved satisfactory to the co-operative banks while still preserving the conditions for genuine competition between lending institutions.

Secondly, the co-operative banks have contributed to consultations organised by the European Commission in the area of financial services and the retail bank, particularly in the sphere of mortgage credit. In this regard, the Association congratulates the European Commission for establishing a real platform for discussion through the Forum on Mortgage Credit, which gives to all players a place for expression and exchange that highlights the obstacles to the achievement of a European mortgage credit market, as well as facilitating the identification of future directions. It is a area of primary importance for the co-operative banks, as they constitute one of the foremost credit distribution networks in Europe. As a general rule, the European Commission approach in terms of strengthening the internal market with a view to a more fluid use of financial services is well received by the co-operative banks. The principle of "Better to legislate while ensuring effective transposition and application of directives" can in fact act as a restraint on excessively heavy regulations that increasingly weigh down and handicap the banks, not only in terms of cost but also in terms of organisation, staff training and mobilisation of technical capability.

Finally, the Association has supported and will continue to lend its expertise to the creation of the Single Euro Payments Area. As a founding member of the European Payments Council and in securing the Vice-Presidency of this Council, the 4,500 co-operative banks are directly involved in defining and implementing the basic inter-bank rules and standards that will, from 2008, allow banks to develop pan European





payment products for credit transfer and direct debit, thus responding to a need expressed by both the market and the regulators. Nonetheless, the development of the legal framework as proposed by the European Commission at the end of 2005 raised certain concerns, for example, the opportunity given to payment institutions to perform this type of service in direct competition with banks even when they are subject to less binding legislation. The co-operative banks are in favour of competition, but not when it is to the detriment of consumer security.

In terms of communication, on 1st December the Association organised the 1st Convention of co-operative banks in Europe. This event, which involved representatives of the 30 European co-operative groups and was attended by Ms. Pervenche Berès, President of the Economic and Monetary Committee of the European Parliament, and by Mr. Charly McCreevy, European Commissioner, was an opportunity to explain the originality of the co-operative banks' business model, to highlight the current models of governance and lastly to emphasise the contribution of the co-operative banks to the consolidation and competitiveness of the banking industry in Europe. On this latter point, it is reminded that the co-operative statute, which will become a reality in 2006 with the implementation of the European Co-operative Statute, is not just a legal alternative, but also an economic alternative to the capital company and to the statute of the European limited company. Such multiplicity of business forms is without doubt an asset for Europe and its citizens.

Now more than ever, the Association and its members demonstrate their willingness to promote a business model that is directly in line with the aims of the Lisbon agenda in terms of competitiveness and social cohesion. The 140 million European citizens and businesses that have chosen to be their customers and the 60 million members who have adhered to their values are proof of the relevance of this form of enterprise, including in the new member States.

Etienne Pflimlin
President

March 2006





The co-operative banks in the internal market

A FUNDAMENTAL ECONOMIC ROLE

The European co-operative banks have two essential values in common. On the one hand, they share historical roots. As an integral part of European history, they have contributed to the continent's prosperity, and continue to be one of its irreplaceable driving forces. Having a co-operative company status, they are recognised and promoted as such by the European institutions. On the other hand, the European co-operative banks all subscribe to the same democratic principle. The banks are owned by their members who participate in their governance according to the principle of "one man, one vote". This means that decisions are made on a consensual basis following internal discussion.

These common values lead to a number of significant consequences:

- The co-operative banks' primary mission is to promote the interests of their members, who are also customers (in varying numbers within each establishment). In other words, their aim is to create value for the customer even more than for the shareholder, thus supplying customers with quality products and services at the best price. Globally, the co-operative banks' contribution to economic activity functions as a trade-off in favour of market shares over higher profit margins. This trade-off translates itself more in increased volumes to the benefit of customers than in higher dividends reinvested by shareholders.
- Maximisation of profit is therefore not the co-operative banks primary objective. This is not to say, however, that healthy management, profit-seeking, innovation, diversification of products and services, and rapid adjustments to change are activities exclusive to the non-co-operative players. Co-operative banks belong to and participate in the financial system on a level playing field with the other banks. A multiplicity of players thus responds to the diversity of market requirements.

● Credit rating agencies and international institutions unanimously acknowledge the co-operative banks' contribution to financial stability. Globally speaking, they have a lower risk profile and lower exposure to the volatility of financial markets than commercial banks. They have a higher capitalisation and enjoy decentralised decision-making and risk control, while generally using cross guarantee systems. They employ state-of-the-art methods of risk control, cautious management of their reserves, and produce overall less volatile results than the commercial banks. For investors seeking low risk, securities issued by co-operative banks are the preferred instrument. Finally, co-operative banks generally have a surplus of cash due to their proximity to residential communities and their ability to collect deposits.

● The origin and decentralised nature of co-operative banks make them the preferred suppliers of financial products and services for certain customer categories, such as farmers and SMEs, but also for individuals, residents of rural areas, professionals and other categories. The proximity to the customer base and their long-term relationships with customers give the co-operative banks an informational advantage over commercial banks. This translates itself in comparative advantages in terms of costs and risks. On the other hand, even if co-operative banks segment their clientele like commercial banks do, they nonetheless make fewer distinctions between their customers on criteria of added value (for example the segments "high net worth individuals" or "large corporate"). When it comes to responding to customer expectations, the informational advantages of co-operative banks enable them, in principle, to obtain higher satisfaction levels than their competitors. This applies for offering products and services, rate setting, quality of documentation on products and services, possible involvement of members in the governance. Although co-operative banks are targeting a wider range of customers than the commercial banks, and offering more anti-cyclical credit, this is not affecting their profitability.





- The network coverage and, especially, the local involvement of the co-operative institutions make them participants whose presence goes well beyond the provision of financial services. They are particularly well placed in the area of corporate social responsibility and sustainable development and generally defend the principles of responsibility and solidarity. Finally, the co-operative banks are major employers; they have a social employment policy (e.g. the exemplary British model) and are often the biggest fiscal contributors at regional level.

Co-operative banks and the consolidation of the banking industry in Europe

- After a period of relative calm, mainly due to the less favourable economic and financial circumstances between 2000 and 2003, the question of European banking consolidation has come once more to the fore. Until now, this process has principally taken the following forms: Establishment of oligopolies at national level; autonomous internationalisation of exportable business lines, such as consumer credit; acquisitions in peripheral countries permitting a significant transfer of skills; certain partnerships sometimes cemented by minority participations. Today, the surplus of capital within the big European banks, the decreasing growth possibilities in mature countries, the willingness of Brussels to speed up the integration of retail markets, and the pressure exerted by the establishment of large Anglo-Saxon groups revive speculation about international advances between equals.

- However, reducing the consolidation process to these large-scale mergers and acquisitions that polarise attention is clearly too restrictive, since the avenues of integration are numerous and often perfectly efficient in simultaneously increasing profitability and social welfare. One has only to think about the successful transfers of expertise and cross-trade via the establishment of partnerships, about certain successes in foreign market penetration with online banking, and about the development under their own trademark of several entities in different countries.

- The co-operative banks are not absent from this process of banking consolidation. On the contrary, the strength of their position in larger European countries, such as Germany, France, Italy, the Netherlands, Austria, Finland, is the most telling illustration of this. Two illustrative cases and several methods of consolidation can be distinguished. In the countries where domestic banking consolidation is less advanced and the co-operative banks more decentralised, as in Germany, Austria or Italy, the pace of restructuring remains high at the national level. In Germany, the number of Raiffeisen- und Volksbanken has dropped in 15 years from almost 3500 to less than 1500, with an accelerated pace of consolidation since 1998.

- With regard to the differing methods of consolidation, the EACB sees that since co-operative banks are less subject to short-term value creation, they remain more open than the commercial banks to seeking growth possibilities abroad via cooperation, partnerships between businesses and minority participations.

- This dynamic aspect of the co-operative banks is narrowly linked to their rapid adaptation to the evolution of their environment. They rely, like commercial banks, on enormous effort, whether that be in terms of investment in new technologies and innovations, of streamlining the structures of distribution and production, or of optimising the procedures for the treatment and better utilisation of their own capital. In the end, this results in significantly higher productivity and an increase in profitability, permitting the promotion of organic and external growth while still preserving co-operative values.





Representation of interests

BANKING LEGISLATION

During 2005 the major activities of the EACB in the field of banking legislation were focused on the finalisation of the CRD - Directive and a number of consultations of the Committee of European Banking Supervisors (CEBS).

The Capital Requirements Directive (CRD)

In November 2005, the Council of Economic and Finance Ministers finally agreed to the European Parliament's suggested amendments to the CRD directive. The final adoption of the directive, which technically comprises two Directives, is likely to be in 2006, when authorised translations into all languages are available. The CRD will introduce a state of the art supervisory framework in the European Union and reflects the Basel II capital standards, which were adopted by the Basel Committee on Banking Supervision and agreed at the G-10 level. The Basel II Framework sets details for measuring capital adequacy and the minimum standard to be achieved by the national supervisory authorities.

The political agreement achieved by the European institutions is the result of a long process of consultation and dialogue with all the stakeholders. The EACB's working group was involved at every stage of this process and engaged in extensive lobbying during the whole year, particularly in the European Parliament. The EACB has focussed its activities on the promotion of a very limited number of aspects, in order to:

- Ensure that the wording of the provision of the directive, which grants privileged treatment for credits within a banking group, can be applied without problems to all co-operative banking groups that draw up consolidated accounts;

- Obtain a provision within the directive, that also grants privileged treatment for credits within a banking group to those groups of co-operative banks that do not draw up consolidated accounts, but which are linked by a number of other elements, which create strong and narrow ties between the banks in the group;

- Ensure that residential real estate loans are not considered for the determination of the maximum amount up to which loans to SMEs can be attributed with lower capital requirements and therefore at lower cost;

- Introduce, within the CRD, the "proportionality principle" more clearly and to emphasise, that all concrete measures that supervisors will consider will take into consideration to a sufficient degree the size, risk potential and business activities of the specific bank in question. The principle of proportionality is mainly aimed at protecting smaller banks.

The agreed text of the CRD brings important improvements regarding all those aspects. Accordingly, the EACB has seen its goals met and is confident that under the new capital framework co-operative banks will be competitive and will be able to utilise their advantages.





CEBS Consultations

Furthermore, the EACB has intensified its contacts with the Committee of European Banking Supervisors (CEBS) in London. CEBS is comprised of high level representatives from the banking supervisory authorities and central banks of the European Union and its role is to:

- Advise the Commission, in particular as regards the preparation of draft implementing measures in the field of banking activities;
- Contribute to the consistent implementation of Community Directives and to the convergence of Member States' supervisory practices throughout the Community;
- Enhance supervisory co-operation, including the exchange of information.

The EACB delivered contributions to a number of technical consultations of CEBS, in particular on the role and tasks of CEBS, on the validation and assessment of the risk management and risk measurement systems under the CRD and on the application of the Supervisory Review Process under Pillar 2 of the CRD (the internal processes that banks need to establish under the CRD and their review by supervisors).

In the light of co-operative banks' specificities in organisational terms and the important role played by the co-operative banks on the retail banking markets in the Europe of 25, the EACB intends positioning itself as one of the banking industry's spokesmen.

PAYMENT SYSTEMS IN EUROPE

The Single Euro Payments Area project (SEPA)

The EPC, supported by the EACB, one of its founding members, made important headway during 2005 with a view to complying with the roadmap made out for achieving SEPA's aims, first of all its 1 January 2008 deadline. With that in mind, inter-bank rules and high level standards for pan European credit transfers and direct debit schemes were defined and put to national banking communities for consultation. A set of requirements concerning the organisation of the market for payments by card was also finalised. In this process, the EACB has been acting as spokesperson between its co-operative members and the EPC so that any actions and approaches adopted will remain compatible with their interests and those of their 140 million customers.

It has further developed with its members a vision of the payment landscape in 2010 and what that means for co-operative banks as payment service providers in terms of threats and opportunities. It concludes that SEPA holds both, and that unit cost reduction and the use of innovative technological solutions will be an important factor in determining whether threats can be turned into opportunities.

The Legal Framework

REVIEW OF THE REGULATION ON CROSS-BORDER PAYMENTS IN EUROPE (REGULATION 2560/2001/EC)

During 2005, the Commission launched two consultations on the application of, and on the preparation of the evaluation report on, Regulation 2560 which was issued in 2001. This regulation obliges banks to apply the same price both to payments made within one country and payments made cross-border in euro. The





EACB Secretariat played a leading role in developing the response of the European Payments Council in both consultations. It also engaged in dialogue with its own members to ensure that retail network banks' particular concerns were duly taken into account.

PROPOSAL FOR A DIRECTIVE ON PAYMENT SERVICES (NEW LEGAL FRAMEWORK)

Following a consultation/communication process, the European Commission adopted in December 2005 several measures on the new legal framework for payments in Europe. On this proposed directive that is currently being studied in the European Parliament, the messages to be conveyed by the Association can be summarised as:

- a request to limit regulation to what is absolutely necessary, realistic and required for the realisation of the Single European Payments Area (SEPA); and
- to ensure a level playing field between banks and other players in the payments market.

REVISION OF THE E-MONEY DIRECTIVE (DIRECTIVE 2000/46/EC)

Over the summer of 2005, the Commission launched a public consultation aiming at assessing the E-money Directive of 2000. The Commission wants to know whether this Directive, conceived and adopted at the height of the boom in e-commerce, was successful in its intention to facilitate access to the market for issuing e-money to establishments other than credit institutions. Another objective was to verify whether the legal framework was still appropriate to new market developments.

The EACB issued a position paper asserting that the applicable regulatory framework should be clear and coherent and that it should ensure a level-playing field among the market participants, particularly in terms of prudential rules. Given that they are considered innovative banks,

co-operative banks will pay the closest of heed to the recommendations the Commission intends publishing in the near future.

Target 2

The development of the new TARGET payment system (called Target 2), which will link real time payment systems of national central banks for payments in euro, continued in 2005. A new launch date for the system was announced for November 2007. In general, banks' expectation of this system is that it will offer a fully centralised platform for the processing of high value payments with a maximum level of harmonisation of services, not only with regard to payments transmission processes, but also in respect to account services and liquidity/collateral management services.

The EACB participated in the dialogue on different user requirements with the European Central Bank through the "inter-federation working group on TARGET" on various issues such as:

- Detailed functional specifications pertaining to the User
- Migration plans
- The envisaged pricing of TARGET 2 services
- Contingency measures in case of failure of the system





FINANCIAL SERVICES IN EUROPE

Consumer Credit Directive

Co-operative Banks, directly and through joint action with other members of the European Banking Industry Committee (EBIC), actively lobbied for an improvement of the text proposed by the European Commission at the end of 2005. The co-operative banks regret that their request for a thorough impact assessment did not succeed since it would have contributed to a better understanding of the opportunities and effects of the proposed directive. Secondly, the EACB noted that while the new Commission proposal remains controversial in part, it does, nevertheless, feature a number of improvements.

The co-operative banks are surprised to realise that there is an innovative approach to harmonisation. On the one hand, the directive provides for full harmonisation of key issues (so-called “targeted harmonisation”), implying that member states would have to transpose the Directive without any ability to introduce more or less stringent rules. On the other hand the directive introduces the principle of mutual recognition which would grant member states a certain margin of flexibility to adapt the rules to the specific requirements of their markets. It is nevertheless questionable whether there is a need for mutual recognition, and whether it would actually benefit lenders and consumers. For the moment this new harmonisation approach still requires further clarification, and seems to introduce both a complex and uncertain legal framework for lenders and consumers, which is in contradiction with the EACB’s long-standing request of legal certainty.

Mortgage Credit

The EACB favours integration regarding the market for mortgage credit, on the grounds that it will ensure free access of financial institutions to foreign markets. Co-operative banks are convinced of the merits of diversity in product supply and competition between selling methods and distribution channels, both financial services providers and their customers have a common interest in eliminating those discrepancies that constitute real barriers to wider access to a European range of the most competitive mortgage products. Furthermore, the development of cross-border operations requires more convergent and transparent market infrastructures. To make this objective a reality, the EACB supports a pragmatic approach that will respond to the need for “better legislation”. While recognising the Forum Group’s results as a welcome development, the EACB has reservations to the cost benefits analysis (“London Economics Study”).

Concerning the Code of conduct, EBIC members handed to the European Commission in December 2005 their second progress report on the implementation of the Code of Conduct on Home Loans. Evidence demonstrates a very large level of adherence and implementation: the implementation level of the code is massive. The level of implementation between Member States ranks between 90% and 100%. Further, credit institutions in five new member states, the Czech Republic, Estonia, Cyprus, Hungary and Malta have adhered to the Code and credit institutions in Cyprus and Malta are already implementing the Agreement. The industry reaffirmed its strong commitment to the Code of Conduct, in which huge resources have been invested. Determined to improve its implementation, the banking industry called for the European Commission’s full support.





Sector Inquiries

The European Commission launched a series of sector inquiries in the field of financial services in mid 2005 to enable it improve competition in two complementary ways. Firstly, it will involve identifying any specific restrictive practices or distortions of competition that can be addressed through individual cases under Articles 81 or 82 of the Treaty. Its second objective is enhancing transparency in relation to price-setting and general practices in financial markets which could enable consumer to make better informed choices.

The first part of the inquiry on payment cards, launched in summer 2005, addressed more than 200 acquiring and issuing institutions, as well as 26 domestic and international payment card networks across all EU-25 Member States. The banks involved were selected on the grounds of statistical sampling methods. An interim report, open to consultation should be issued by March 2006.

The second part of the inquiry on core retail banking was launched in November 2005. Nearly 250 Banks, selected as part of a statistical sample created for the purpose of this enquiry, have been consulted. The announced focus of the inquiry is to scrutinise price competition in the retail banking market, conditions for market entry and for the supply of retail products and services, the degree of effective choice for consumers and SMEs, and concentration and market power. An interim report, open to consultation, should be published in autumn 2006.

INTERNATIONAL ACCOUNTING STANDARDS AND AUDITING

Distinction between Equity and Liability: review of IAS 32

In July 2005, FASB issued a Milestone Draft on the treatment of single component instruments. It is still an informal working paper and is expected to be officially published as a preliminary views document towards the end of the first quarter of 2007. Discussions under way could have an impact on IAS 32 on the grounds that a convergence process exists between accounting standard IFRS and US-GAAP.

The EACB is fully committed to its programme of work that might call IFRIC 2 in question. Over and above that, the co-operative movement as a whole is being called upon to mobilise its energies, and more particularly within "Co-operatives Europe" where the Association chairs a working group on this matter.

IFRS for SMEs:

Representatives of the co-operative sector participated in the IASB's Round Table on the development of IFRS for SMEs, following a consultation exercise by the IASB last summer. The EACB and Co-operative Europe stressed the need for simple standards, which took into account the limited expertise and funds for accounting within SMEs. Simplifications were necessary e.g. with respect to the application of the Fair Value principle, which did not have the same justification as in the case of accounts for listed companies. Co-operative specific requirements need to be taken into consideration when developing the standards, since many co-operatives would qualify as SMEs. Finally, the Association takes the view that implementation should remain entirely optional for the individual company and should be left to the national legislator.





Adoption of 8th Directive on Statutory Audit

Following the adoption by the Plenary of the European Parliament and the political agreement by the ECOFIN Council, on the Statutory Audit Directive Proposal, the EACB considers that the outcome of the Directive is positive, as many of its core positions have been taken on board. The Directive now allows Member States to exempt non-listed public interest entities, which include co-operative banks, from the special provisions regarding the audit of such entities. This means, among others, that the requirement of setting up an internal audit committee could be avoided for smaller banks. Also, amendments that take account of co-operatives' specific needs have been incorporated into the final version of the text.

European Financial Reporting Advisory Group (EFRAG)

The new working group on financial instruments of the European Financial Reporting Advisory Group (EFRAG) deals with matters related to the treatment of financial instruments under IFRS. While it is not exclusively oriented towards banking issues, banking sector representatives (including the EACB) have a strong presence. More generally, the Association supports EFRAG and hopes the Commission will give this structure its official recognition as an expert private sector advisor in IFRIC matters.

ANTI-MONEY LAUNDERING AND FIGHT AGAINST TERRORISM

Proposal for a Regulation on Information on the Payer Accompanying the Transfer

The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. The Task Force is therefore a "policy-making-body" which works to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.

At the end of July 2005 the European Commission issued a proposal for a Regulation that ensures traceability of funds in order to prevent terrorists and other criminals having unfettered access to funds transfers. This Regulation aims to transpose into EU law a Special Recommendation issued by the FATF, the OECD body in charge of issuing standards to fight money laundering and the financing of terrorism.

This Association has been very active in drafting the banking industry's comments on this proposed regulation and on the interpretative note on the special recommendation made by the FATF. The Association was in charge of the secretariat of the Special Commission of the European Payments Council in this matter. A dialogue was held with the European Commission, Council and Parliament throughout 2005 to find the best way in which the measures required to facilitate the fight against terrorism could be implemented. Although the industry fully supports this fight, disproportionate disruption to payment processes should be avoided, as they are the fundamentals underlying global, regional and local economic relations. The position formulated by the Council on the Commission's proposal reflected many of the industry's concerns. The EACB'S attention now is geared toward the debate in the Parliament.





Anti-Money Laundering Directive (2005/60/EC)

In October 2005, the European institutions adopted the third Anti-Money Laundering Directive. Thanks to its active involvement before the Council and the European Parliament, both in the Anti-Money Laundering Working Group of EBIC (European Banking Industry Committee) and on its own, the EACB was able to successfully intervene. The EACB has ensured that specific needs of co-operative banks, such as the risk-based approach important to the smallest institution, be taken into consideration in the fight against the misuse of the banking system for illegal purposes.

Furthermore, the EACB participated in a bilateral meeting with the FATF. The main objective of this meeting was to discuss possible ways to ensure better implementation for the banking industry of the FATF recommendations. It was the perfect occasion to underline the specific difficulties and other aspects that the smallest institutions have to face when implementing such standards.

FINANCIAL MARKET ACTIVITIES

Clearing and Settlement of Securities

Although it plays a vital role, the cross-border clearing and settlement market in Europe remains highly fragmented. Because of this, EU policy makers have addressed the need to create an efficient, cost effective, safe and integrated post-trading environment as well as establishing a level playing field for the provision of such services. As a result a series of initiatives developed in the course of 2005:

- The Standards on Clearing and Settlement in EU issued by the Euro system (ESCB) and CESR in October 2004 and their relative methodology elaborated in 2005;
- The European Parliament's Report on Clearing and Settlement in EU - June 2005;

- The European Commission work in the CESAME group and the impact assessment of a possible directive.

The EACB firmly supports the creation of an efficient and safe regulatory and legal environment for clearing and settlement in the European Union and welcomes initiatives in this direction. Co-operative banks nevertheless fear that some of the initiatives such as the ESCB-CESR Standards, as proposed, will not contribute to this goal. During the discussions with CESR and ESCB in 2005, the EACB has expressed the view that banks are already subject to the supervision and regulatory framework imposed by the banking law. Any new provisions and additional requirements arising from the Standard would only be detrimental in terms of costs and risks, putting European custodian banks at a disadvantage compared to their international competitors. European Co-operative Banks have therefore welcomed ESCB-CESR's decision to put their work on hold until the European Commission has decided on whether or not to propose a directive, as recommended by the European Parliament's Report.

The EACB has welcomed the European Parliament's Report on Clearing and Settlement which remains open to a directive, subject to the results of the impact assessment, and which also addresses the competition and bundling issues. The European Co-operative Banks have always underlined that beside market led initiatives, a proper legal framework setting clear guidelines about access rights, governance and risks, as well as providing clarity on definitions, is essential to the proper functioning of European financial markets. National legal and fiscal barriers also need to be properly addressed.

In the course of 2005, the EACB has significantly contributed to the Commission's work within CESAME in co-operation with other European Credit Sector Associations (ECSAs), through their common task force. This group is actively contributing to the lifting of obstacles to the integration of the EU clearing and settlement market. In this context, two sets of recommendations were issued for the harmonisation of corporate actions processing in Europe.





This includes payments of cash dividends, interests and maturity redemption of bonds, distribution of securities and other events as decided by shareholders in their general meetings. An analysis of the gaps in the 25 countries was also undertaken and will be formalised at the workshop on “corporate actions” organised by the ECSAs in the beginning of 2006.

Finally, the EACB contributed to the European Commission’s programme of work on the impact study, the purpose of which is to assess the need for a directive on a post securities market. The results of this study and the Commission’s decision are expected to be released sometime in the first three months of 2006.

Directive on Markets in Financial Instruments

In the course of 2005, the Commission has launched a series of consultations on the draft implementing measures for the MiFID following the adoption of the directive and in conformity with the Lamfalussy process. The EACB has taken active part in the consultation, highlighting the impact that excessive detailed and costly regulation could have on smaller and medium-sized co-operative banks. The EACB has also pointed out that all parties should be granted the freedom to comply with regulatory requirements in accordance with their individual size, type of activity and client structure.

The EACB is pleased to note that a number of improvements were made in the course of the consultations held on the Commission’s draft proposal, particularly those with a bearing on transactions reporting, investment advisory services, organisation requirements and post negotiation transparency. Moreover, the EACB strongly supports the European Parliament’s Report (December 2005), extending the deadlines for the transposition of the Directive in the Member States to November 2007.

Assets Management

In July 2005, the Commission published a Green Paper on the enhancement of the EU framework for investment funds, focussing on UCITS (Undertakings for Collective Investment in Transferable Securities). UCITS are the most common type of investment funds in Europe, which account for over 70% of the 5 trillion assets managed by the fund industry. The Commission proposed a number of short and medium term actions to ensure efficient investor protection and to create an efficient pan-European fund market. It indicated, however, that it has no legislative action in mind at this stage unless a consensus emerges on the need for substantive changes to the UCITS directives currently in force.

This approach was very much supported by the EACB. It also underlined the importance of avoiding the so called gold-plating by member states when transposing the directives into national legislation by introducing additional requirements which could distort the level playing field. Furthermore the European co-operative banks also expressed doubts with regard to the “open architecture” system envisaged by the European Commission because of its difficult implementation. Open architecture means that banks use their distribution channels to sell all investment funds available, instead of concentrating on the products of only one or two providers as it is usually the case. In any case the EACB recommended a thorough impact assessment and cost benefit analysis in case of further regulatory steps. It is expected that the follow-up measures to facilitate the better use of the current framework for investment funds will be announced in early 2006, taking into account the responses to the consultation. The EACB will remain involved in the dialogue with the Commission on those important issues.





COMPANY LAW AND CORPORATE GOVERNANCE

Company law and corporate governance are subject to continuous attention from the European institutions. During 2005 the major activities of the EACB in this field were focused on the finalisation of the 10th Company Law Directive on cross-border mergers and on the Commission's draft proposal for a Directive on the exercise of shareholders' rights. Furthermore, the EACB observed the proposals submitted by the EU Commission, Council and Parliament amending the 4th and 7th Company Law Directives concerning the annual accounts of certain types of companies and consolidated accounts. Moreover, the EACB set up a Working Group on Corporate Governance with the aim of tabling a report on the specific governance structure in co-operative banks.

10th Company Law Directive on Cross-Border Mergers (2005/56/EC)

In December 2005, both the European Council and European Parliament adopted a directive on cross-border mergers. The directive, which is to be implemented by December 2007, is to facilitate mergers of limited liability companies on a cross-border basis, which at present are impossible or very difficult and entail prohibitive costs. The proposed directive sets up a simple framework drawing on national rules applicable to domestic mergers. It provides companies with a suitable legal instrument to carry out cross-border operations and avoids the winding up of the acquired company. A special provision for co-operative societies was introduced according to which Member States may decide not to apply the directive to cross-border mergers involving a co-operative society even in the cases where the latter would fall within the definition of "limited liability company". This derogation was not supported by the EACB who attempted several times to convince the parliamentarians of its position that an opt-out clause would be hostile to co-operatives and would hamper market integration.

Directive on the Exercise of Shareholders' Rights

After launching a second, detailed consultation on shareholders rights to which the EACB contributed its comments, in 2006, the Commission published its proposal for a directive on the exercise of shareholders' rights.

The proposed directive is to set up minimum standards that should apply to shareholders' rights in listed companies - particularly the exercise of voting rights - in order to remove certain practical and legal obstacles that currently hinder the exercise of these rights in a cross-border context.

The directive takes up issues which were treated in the second consultation, such as: preparation and communication of general meetings of shareholders; abolishing all forms of share-blocking; removing all legal obstacles to electronic participation in general meetings and offering proxy voting as a means of voting without attending the meeting. The EACB actively lobbied for the explicit exclusion of co-operatives from the scope of application of the forthcoming directive in order to avoid conflicts and undermining of the acknowledged co-operative specific provisions. The Commission limited the scope of the potential directive to companies, whose shares are traded on a regulated market.

Proposal for a directive amending the 4th and the 7th Company Law Directive

At the end of 2005, the European Parliament approved the directive proposed by the European Commission not only to amend the 4th and 7th Company Law Directives (CLD), but also the Directive on annual and consolidated accounts of banks and other financial institutions. Therefore, the EACB was involved during the whole legislative process and engaged in lobbying especially with the Parliament. According to the directive, banks whose securities are admitted to trading on a regulated market shall include a corporate governance statement as a specific section in





their annual reports, which should contain certain information, such as:

- a reference to the corporate governance code to which a bank is subject or which the bank has voluntarily decided to apply;
- and, as the case may be, an explanation of where the bank departs from the corporate governance code and the reasons for this.

However, the directive gives sufficient leeway for member states to exempt banks, which have only issued bonds, from some information requirements.

The amending directive also introduces for banks a collective liability of all members of the administrative, management or supervisory bodies responsible for ensuring that the annual accounts and the annual report are drawn up and published in accordance with the requirements of the 4th company law directive.

Working Group on Governance in Co-operative Banks

Corporate governance was in the spotlight of the EACB activities. It came under scrutiny as a highly important matter since recent legislative initiatives showed that governance standards for listed companies cannot simply be applied in an identical way also to co-operative banks, because of their co-operative particular characteristics.

For this reason, the EACB has set-up a working group on governance in co-operative banks that is working on a report highlighting special co-operative governance features and principles adjusted to the specifics of the co-operative business model. The draft report is based on an investigation within the members' organisations carried out in order to identify the key issues in corporate governance in the member organisations, specifically the management structure. A document will be issued in 2006.

OTHER ISSUES

Social Dialogue

The EACB, as one of the employers' representatives within the European Social Dialogue Committee for the banking sector, successfully concluded a joint statement on the project "Employment & Social Affairs in the European Banking Sector: Some Aspects Related to Corporate Social Responsibility". The purpose of the project was to identify good practices in some employment and social affairs aspects of corporate social responsibility (CSR). It showed that CSR is developing in the banking industry and that it is an important tool for a company's management and workforce. It is also helpful for a company's long term success as was stated by the European Commission in the green paper on CSR and the Lisbon Agenda.

The EACB also embarked on an "enlargement" project. This project is aimed at making the social partners of "new" Member States more familiar with the practice of industrial relations in "old" Member States and at integrating them in the EU Social Dialogue Committee for the Banking Sector. In the course of 2006, the EACB will participate in a project of which the objective is to identify existing good practices and/or the ones that could be put in place, in order to meet demographic challenges in terms of recruitment, training, incentive and pension policies.





Co-operatives worldwide

INTERNATIONAL VIEW OF THE INTERNATIONAL CO-OPERATIVE MOVEMENT

Co-operatives do not currently have statistics that permit a true appreciation of the importance of these organizations throughout the world. However, various initiatives, taken by practitioners as well as academics, offer us a pretty accurate view of the present situation.

Worldwide, co-operatives have 800 million members and provide employment to 100 million people. They are of varying sizes, and 20% of them are multinationals. Their presence is significant in Africa, where, for example, 20% of Kenyans are members of a co-operative, and it is a little known fact that in the United States they control 33% of the agricultural market and half the country's electricity supply. The co-operative movement is represented everywhere in clearly significant numbers. One person in three is a member of a co-operative in Canada, Norway, France, and Honduras, one in four in the United States, co-operative members are present in numerous countries such as Brazil (5.5 million), Argentina (10 million), the United Kingdom (10 million), China (180 million), India (235 million).

In the same way the areas of activity of co-operatives are varied and include building, agriculture, consulting companies, mass distribution, insurance or banking.

All co-operatives are united within the International Co-operative Alliance (ICA).

THE GROWING INVOLVEMENT OF THE EACB AT ALL LEVELS

The Association has a natural physical presence in numerous co-operative circles through its representatives. The President, the Board and the secretariat-general thus play the role of natural link and diffuse EACB presence through all organizations that actively promote the co-operative model. This is expressed through very active participation as much in the Coordinating Committee of European Co-operative Associations (CCECA), as in the regional European Committee of the International Association of Co-operative Banks, or in Europe Co-operatives.

An international presence : the International Co-operative Alliance (ICA)

The International Co-operative Alliance, which represents the home base of all world co-operatives, is the preferred place for meetings and debates on co-operative variety and its economic efficiency. As a place of exchange on reciprocal initiatives, the ICA sees its annual General Assembly as an opportunity for brainstorming and benchmarking that contributes to knowledge of the world economic environment. By the quality of its expertise, at the end of September 2005 the EACB was able to clarify for other co-operatives the problems associated with the International Financial Reporting Standards (IFRS) on co-operatives. The EACB's contribution was to give clarification to all international members on three points: the decision process, the IAS Board and lobbying undertaken with a view to protecting the interests of co-operatives. Beyond their purely technical aspect, these exchanges offer the EACB the chance to benefit from the experiences of other co-operatives, in a general sense, and of co-operative banks in particular, beyond European boundaries. The technical abilities of the EACB, especially in accounting, are gaining authority well beyond our continent, and





promote wide recognition of its work as much by all co-operatives as by the world's co-operative banks united within the International Association of Co-operative Banks (IACB).

A permanent support: the International Association of Co-operative Banks

The International Association of Co-operative Banks (IACB) is simultaneously both a forum for reflection and exchange, and an organization representing the interests of co-operatives operating in the sphere of banking and finance. It is an organization of international proportions that depends on regional organizations charged with promoting the interests of co-operative banks in a national or continental setting. The EACB is an active member of the regional European Committee of the IACB in a dual capacity: in being autonomously represented, and in assisting the EACB members who are also IACB members. The EACB also supports partnership initiatives that bring synergy to a variety of co-operative processes. The involvement of the EACB in this structure offers clarification on particular themes, such as that of governance addressed in March 2005 by the regional European Committee of the IACB and which even promoted dialogue on this theme within the EACB several months later. Similarly, at meetings of the International Association of Co-operative Banks, which comprises several regional Committees, including Europe, the EACB is regularly asked to make presentations on technical subjects.

A growing recognition: Coordinating Committee of European Co-operative Associations

This organization, created in 1982, is today officially recognized by the European Parliament, the European Commission and the Economic and Social Committee as the common inter-sectorial representative of co-opera-

tives at European Union level. The associations united within the CCECA aim to better promote the principles and practice of co-operative enterprises, and to defend their common interests, beyond sectorial questions, in official proceedings and public opinion.

The EACB has secured the presidency of the CCECA and is thus not only strongly involved in this committee, but most importantly, is increasingly recognized by it. It attends regular meetings in Brussels, where it acts in its capacity of expert on accounting standards. Recognition of this expertise is such that the EACB has been entrusted with the coordination of work on the IFRS standards applicable to SMEs. Similarly, the EACB is sought out to represent the CCECA at official meetings at a high institutional level or at conferences concerning accounting standards. This also permits the reinforcement of the legitimacy and global visibility of co-operative banks.

A presence in developing organizations: Europe Co-operatives

The year 2005 saw the emergence of a policy that profoundly revitalized the European co-operative landscape. The Europe region of the International Co-operative Alliance forged closer links with the Coordinating Committee for European Co-operative Associations (CCECA) allowing for the creation of a common platform "Co-operatives Europe" with new resources and new skills associated with the bringing together of co-operatives originating largely from central and eastern Europe. The EACB is, once again, present and active in this enlargement of European construction between co-operatives. At the public conference organized by Europe Co-operatives at the end of June 2005 which brought together European Commission executives, Commissioner Spidla, and the representative of Mr. Barroso who had a message read out, the EACB was able to make its voice heard. Its contribution on the theme "responsible competitiveness and development" permitted clarification of the action of European co-operative banks registering in the lines of work already conducted within the EACB during





the same year - these works having given rise to the drawing up of reports entitled "The Social Responsibility of Enterprises: the activities of co-operative banks".

It is a sign of the importance of these preliminary dynamics that various national organizations, members of the CCACE or of Europe Co-operatives, extended widened the use of the first of these reports by a national press conference. Thus the National Association of Cooperation, in France, promoted this report in the presence of the EACB in June 2005, while at the same time various articles were published in Europe.

Other European encounters

In March 2005 European meetings were held in Luxembourg on the social economy, which brought together the principle elements of the mutual movement, including the co-operative organizations. This event allowed the cementing of links with European organizations like the OECD, which co-organized the event with the permanent European Conference of co-operatives, mutual companies, associations and foundations (CEP-CMAF). The conference "The social economy, central actor of social cohesion and the Lisbon Strategy" was an occasion to recall the contribution of the co-operatives, and in particular that of the co-operative banks, in implementing European policies with respect to a high degree of social and territorial proximity.

The EACB is thus recognized as an active co-operative player as much within the different co-operative movements as with Members of the European Parliament and the European Commission.





Annexes • Anlagen

1. Key statistics of the Association as on 31.12. 2004
Chiffres clés du Groupement au 31.12.2004
Schlüsselzahlen der Vereinigung per 31.12.2004

2. Member organisations
Organisations member
Mitgliedsorganisationen

3. Members of the Executive Committee
Membres du Comité Directeur
Mitglieder des Generalrates

4. Board Members
Membres du Bureau
Mitglieder des Praesidium

5. Working groups and their chairpersons
Groupes de travail et les président
Arbeitsgruppen und deren Präsidenten

6. Secretariat General
Secrétariat Général
Generalsekretariat





Key statistics of the Association as on 31.12. 2004

Key statistics as on 31.12. 2004 (EU 25)

Full Member Organisations	Regional/ Local Banks	Banking Outlets	Members	Clients (1)	Staff	Total Assets (Euro million)	Deposits (Euro million)	Loans (Euro million)	Market share Deposits (%)	Market share Credits(%)
BELGIË/BELGIQUE/BELGIEN - Belgium										
Crédit Professionnel	n/a	n/a	10	n/a	45	2.048	246	1.435	n/a	n/a
CYPRUS - Chypre/Zypern										
Co-operative Central Bank	357	472	535	600.000	2.000	7.849	7.231	5.591	26,27	26,06
DANMARK - Denmark/Danemark/Dänemark										
Sammenslutningen Danske Andelskasser (a)	34	76	63.500	113.200	525	1.021	834	660	n/a	n/a
DEUTSCHLAND - Germany/Allemagne										
BVR/DZ BANK	1.335	14.554	15.506.866	30.000.000	164.200*	848.688*	513.172*	473.553*	18,50	11,60
ÉIRE - Ireland/Irlande/Irland										
Irish League of Credit Unions (b)	n/a	534	2.068.631	2.068.631	1.700	4.301	3.657	2.709	7,00	7,00
ESPAÑA - Spain/Espagne/Spanien										
Unión Nacional de Cooperativas de Crédito	83	4.607	1.669.676	9.592.625	17.634	63.655	53.255	48.847	5,00	5,30
FRANCE - France/Frankreich **										
Crédit Agricole	43	9.060	5.700.000	21.000.000	134.000	913.000	378.000	410.000	28,00	30,00
Crédit Mutuel	18	4.990	6.500.000	13.800.000	56.760	387.400	144.239	164.782	15,80	12,80
Banques Populaires	22	2.692	2.800.000	6.600.000	44.509	250.404	94.800	121.000	6,40	8,20
HELLAS - Greece/Grece/Griechenland										
Association of Cooperative Banks of Greece	16	114	144.176	144.176	762	1.574	1.273	1.270	0,80	1,00
ITALIA - Italy/Italie/Italien										
Assoc. Nazionale fra le Banche Popolari	88	7.386	1.035.000	8.400.000	53.000	414.000	239.600	213.800	20,80	19,50
FEDERCASSE	439	3.478	729.462	1.422.189	26.238	116.413	94.395	76.442	8,30	6,40
LUXEMBOURG - Luxembourg										
Banque Raiffeisen	18	65	4.510	117.000	432	3.214	2.901	1.752	10,00	10,00
LIETUVOJE - Lithuania/Lituanie/Litauen										
Association of Lithuanian credit unions	53	91	43.275	43.732	257	65	42	37	0,80	0,75
MAGYARORSZÁG - Hungary/Hongrie/Ungarn										
National Federation of Savings Co-operatives (c)	156	1.650	500.000	1.000.000	8.111	4.460	3.875	2.023	10,10	4,20
NEDERLAND - Netherlands/Pays-Bas/Niederlande										
Rabobank Nederland	288	1.643	1.456.000	9.000.000	56.324	475.089	252.996	192.123	39,00	25,00
ÖSTERREICH - Austria/Autriche										
Österreichische Raiffeisenbanken	576	1.619	1.654.970	3.600.000	29.962	145.530	86.061	86.399	25,91	22,17
Österreichischer Genossenschaftsverband	68	611	650.000	700.000	6.684	33.773	22.054	17.617	6,27	5,78
POLSKA - Poland/Pologne/Polen										
Krajowy Związek Banków Spółdzielczych	599	3.383	2.500.000	10.500.000	27.600	7.039	5.212	3.978	9,44	8,83
PORTUGAL										
FENACAM (d)	132	592	300.000	1.600.000	3.670	7.501	6.477	5.020	5,00	3,00
SUOMI-FINLAND - Finland/Finlande/Finnland										
OKOBANK	241	677	1.105.000	3.100.000	9.118	38.229	22.783	31.006	32,30	30,50
SVERIGE - Sweden/Suède/Schweden										
Landshypotek (e)	10	10	69.216	69.216	107	3.787	n/a	3.602	n/a	n/a
UNITED KINGDOM - Royaume-Uni/Vereinigtes Königreich										
The Co-operative Bank (f)	n/a	133	n/a	2.230.000	4.247	13.264	10.537	6.694	2,00	2,00
TOTAL (EU 25)	4.567	58.437	44.500.827	125.700.769	648.136	3.742.303	1.943.640	1.868.905	17 (1)	15 (1)

(a) 2000 figures • (b) 2001 figures • (c) including / inclus / inklusiv Takarékbank • (d) 2001 figures • (e): 2000 figures • (f) 2002 figures

(1): Estimate / Estimation / Schätzung • n/a: Not applicable / non applicable / nicht möglich • *Kreditgenossenschaften+ DZ BANK-Konzern+WGZ-Bank-Konzern+MHB eG

** Please note that for an exhaustive overview of European Co-operative Banks statistics the figures of the French Caisses d'Épargne should be added.



Key statistics of the Association as on 31.12. 2004

Key statistics as on 31.12. 2004 (Non EU 25)

Associate Member Organisations	Regional/ Local Banks	Banking Outlets	Members	Clients (1)	Staff	Total Assets (Euro million)	Deposits (Euro million)	Loans (Euro million)	Market share Deposits (%)	Market share Credits (%)
BÄLGARIJA - Bulgaria/Bulgarie/Bulgarien										
Central Co-operative Bank	n/a	147	5.313	439.743	962	284.190	242.898	129.412	2,19	1,80
SCHWEIZERISCHE EIDGENOSSENSCHAFT/CONFÉDÉRATION SUISSE/CONFEDERAZIONE SVIZZERA - Switzerland										
Schweizer Verband der Raiffeisenbanken	450	1.216	1.250.000	2.000.000	7.676	66.311	50.523	54.103	17,50	13,40
ROMÂNIA - Romania/Roumanie/Rumänien										
Creditcoop (a)	547,00	375	756156,00	756.156	2.912	79	45	49	n/a	3,75
TOTAL (NON EU 25)	997	1.738	2.011.469	3.195.899	11.550	350.580	293.466	183.564		

(a) 2003 figures • (1) : Estimate / Estimation / Schätzung • n/a : Not applicable / non applicable / nicht möglich





Member Organisations on 31-12-2005

FULL MEMBERS

AUSTRIA / AUTRICHE / ÖSTERREICH

Fachverband der Raiffeisenbanken

Am Stadtpark 9
A - 1030 WIEN
Tél.: (43 1) 717 07 12 70
Téléfax: (43 1) 717 07 24 96
<http://www.raiffeisen.at>

Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

Löwelstrasse 14-16
A - 1013 WIEN
Tél.: (43 1) 313 28 0
Téléfax: (43 1) 313 28 450
<http://www.oegv.volksbank.at>

BELGIUM / BELGIQUE/ BELGIEN

Crédit Professionnel - BKCP

Avenue des Arts 6-9
B - 1210 BRUXELLES
Tél.: (32 2) 289 82 00
Téléfax.: (32 2) 289 89 90
<http://www.bkcp.be>

CYPRUS / CHYPRE / ZYPERN

Co-operative Central Bank Ltd.

8, Gregory Afxentiou Street
1096 NICOSIA -CYPRUS
Tél.: (357 22) 74 30 00
Téléfax: (357 22) 67 02 61
<http://www.coopbank.com.cy>

DENMARK / DANEMARK / DÄNEMARK

Foreningen Danske Andelskasser

Baneskallet 1, Hammershøj,
DK - 8830 TJELE
Tél.: (45 87) 99 31 20
Téléfax: (45 87) 99 30 98
<http://www.sda.dk>





Member Organisations on 31-12-2005

FULL MEMBERS

FINLAND / FINLANDE / FINNLAND

OP Bank Group

Teollisuuskatu 1 - P.O. BOX 308
FIN - 00101 HELSINKI
Tél. : (358 10) 252 011
<http://www.osuuspankki.fi>

FRANCE / FRANKREICH

Confédération Nationale du Crédit Mutuel

88-90, rue Cardinet
F - 75017 PARIS
Tél.: (33 1) 44 01 10 10
Téléfax: (33 1) 44 01 12 30
<http://www.creditmutuel.fr>

Fédération Nationale du Crédit Agricole

48, rue La Boétie
F - 75008 PARIS
Tél.: (33 1) 49 53 43 23
Téléfax: (33 1) 49 53 44 81
<http://www.credit-agricole.fr>

Groupe Banque Populaire

Le Ponant de Paris
5, rue Leblanc
F - 75511 PARIS - CEDEX 15
Tél.: (33 1) 40 39 60 00
Téléfax: (33 1) 40 39 60 01
<http://www.banquepopulaire.fr>

GERMANY / ALLEMAGNE / DEUTSCHLAND

Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR

Schellingstrasse 4
D – 10785 BERLIN
Tél.: (49 30) 20 210
Téléfax: (49 30) 20 21 19 00
<http://www.bvr.de>



Member Organisations on 31-12-2005

FULL MEMBERS

DZ BANK AG

Deutsche Zentral-Genossenschaftsbank
Platz der Republik
D - 60265 FRANKFURT AM MAIN 1
Tél.: (49 69) 74 47 01
Téléfax: (49 69) 74 47 16 85
<http://www.dzbank.de>

GREECE / GRECE / GRIECHENLAND

Association of Cooperative Banks of Greece

50, Skoufa Str Kolonaki
GR - 106 72 ATHENS
Tél.: (30 1) 36 36 311
Téléfax: (30 1) 36 10 210
<http://www.este.gr>

HUNGARY / HONGRIE / UNGARN

National Federation of Savings Co-operatives

Varosmajor u.74
H - 1122 BUDAPEST
Tél.: (36 1) 488 59 24
Téléfax: (36 1) 488 59 05
<http://www.takarekszovetkezetek.hu>

IRELAND / IRLANDE / IRLAND

Irish Sea Fisheries Board

Crofton Road
IRL - Dun Laoghaire, Co. DUBLIN
Tél.: (353 1) 214 42 31284
Téléfax: (353 1) 230 05 64
<http://www.bim.ie>

ITALY / ITALIE / ITALIEN

Associazione Nazionale fra le Banche Popolari

Piazza Venezia 11
I - 00187 ROMA
Tél.: (39 06) 69 535 203
Téléfax: (39 06) 679 55 58



Member Organisations on 31-12-2005

FULL MEMBERS

**Federazione Italiana delle Banche
di Credito Cooperativo- Casse Rurali ed Artigiane**

Via Lucrezia Romana, 41 – 47

I - 00178 ROMA

Tél.: (39 06) 7207 1

Téléfax: : (39 06) 7207 2790

<http://www.creditocooperativo.it>

LITHUANIA / LITUANIE / LETTLAND

Lithuanian Central Credit Union

Savanoriu 363-211

LT - 49425 KAUNAS

Tél. : (8 37) 20 96 37

Téléfax: (8 37) 20 04 54

<http://www.lku.lt>

LUXEMBURG / LUXEMBOURG

Banque Raiffeisen

Rue Charles Martel, 46

L - 2134 MERL

Tél.: (352) 24 50 1

Téléfax: (352) 22 75 41

<http://www.raiffeisen.lu>

NETHERLANDS / PAYS-BAS / NIEDERLANDE

Rabobank Nederland

Croeselaan 18

NL - 3500 HG UTRECHT

Tél.: (31 30) 216 18 54

Téléfax: (31 30) 216 00 00

<http://www.rabobank.nl>

POLAND / POLOGNE / POLEN

Krajow Zwiasek Bankow Spoldzielczych - KZBS

ul. T. Boya-Zelenskeigo 6 Apt. 22/23

PL- 00 — 621 WARSAW

Tél.: (48 22) 875 30 30

Téléfax: (48 22) 875 30 40

<http://www.kzbs.pl>



Member Organisations on 31-12-2005

FULL MEMBERS

PORTUGAL

FENACAM – Federação Nacional das Caixas de Crédito Agrícola Mútuo, F.C.R.L.

Rua Pascoal de Melo, 49
P – 1000-232 LISBOA
Tél.: (351 21) 313 69 00
Téléfax: (351 21) 313 69 91
<http://www.creditoagricola.com>

SPAIN / ESPAGNE / SPANIEN

Unión Nacional de Cooperativas de Crédito

Calle Virgen de los Peligros 4 - 4a planta
E - 28013 MADRID
Tél.: (34 91) 595 67 85
Téléfax: (34 91) 595 67 96
<http://www.unacc.com>

SWEDEN / SUÈDE / SCHWEDEN

Landshypotek AB

Strandvägen 1, 1st floor
S – 10441 STOCKHOLM
Tél.: (46 8) 667 04 00
Téléfax: (46 8) 783 01 54
<http://www.landshypotek.se>

UNITED KINGDOM / ROYAUME-UNI / VEREINIGTES KÖNIGREICH

The Co-operative Bank p.l.c.

1 Balloon Street
UK - MANCHESTER M60 4EP
Tél.: (44 161) 832 34 56
Téléfax: (44 161) 839 42 20
<http://www.co-operativebank.co.uk>





Member Organisations on 31-12-2005

ASSOCIATE MEMBERS

SWITZERLAND / SUISSE / SCHWEIZ

Schweizer Verband der Raiffeisenbanken

Schreinerstrasse 6
CH- 9001 ST. GALLEN
Tél.: (41 71) 225 88 88
Téléfax: (41 71) 225 88 87
<http://www.raiffeisen.ch>

BULGARIA / BULGARIE / BULGARIEN

Central Cooperative Bank

103, G.S. Rakovski Street
BG - 1000 SOFIA
Tél.: (359 2) 92 66 107/122
Téléfax: (359 2) 92 66 107
<http://www.ccbank.bg>

ROMANIA / ROUMANIE / RUMÄNIEN

CREDITCOOP CASA CENTRALA

Plevnei Way 200
Sector 6
RO - BUCHAREST
Tél.: (40 21) 317.74.05
Téléfax: (40 21) 317 74 86
<http://www.creditcoop.ro>





Members of the executive committee on 31-12-2005

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Confédération Nationale du Crédit Mutuel

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Crédit Professionnel-BKCP

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Foreningen Danske Andelskasser

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Association of Co-operative Banks of Greece

HUNGARY / HONGRIE / UNGARN

L. VARADI

National Federation of Savings Co-operatives

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P. GORDON

Irish Sea Fisheries Board

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Federazione Italiana delle Banche di Credito Cooperativo - Casse Rurali ed Artigiane

G. CARDUCCI

Associazione Nazionale fra le Banche Popolari

R. DE BRUYN

Associazione Nazionale fra le Banche Popolari

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R. STANKEVICIUS

Lithuanian Central Credit Union





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Banque Raiffeisen

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P. R. DE MACEDO

FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo

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A. MORAR

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Union Nacional de Cooperativas de Crédito

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Schweizer Verband der Raiffeisenbanken

UNITED KINGDOM/ ROYAUME- UNI/ VEREINIGTES KÖNIGREICH

P. RYLANDS

The Co-operative Bank p.l.c.





Board members on 31-12-2005



President / Président / Präsident

E. PFLIMLIN

Confédération Nationale du Crédit Mutuel



Vice-Presidents / Vice-Présidents / Vizepräsidenten

Ch. PLEISTER

Bundesverband der Deutschen Volksbanken und Raiffeisenbanken — BVR



P. MOERLAND

Rabobank Nederland



Secretariat/ Secrétariat/ Sekretariat

H. GUIDER

Secretary General





Working groups and their chairpersons on 31-12-2005

COORDINATION OF BANKING LAW
COORDINATION DES
LEGISLATIONS BANCAIRES
KOORDINIERUNG BANKENRECHT

J. LEHNHOFF

Bundesverband der Deutschen Volksbanken und
Raiffeisenbanken – BVR

PAYMENT SYSTEMS
SYSTEMES DE PAIEMENTS
ZAHLUNGSSYSTEME

K. PANKAKOSKI

OKO BANK

CONSUMER POLICY
POLITIQUE DES CONSOMMATEURS
VERBRAUCHERPOLITIK

M.-Ch. CAFFET

Confédération Nationale du Crédit Mutuel

ACCOUNTING
COMPTABILITE
RECHNUNGSLEGUNG

St. MORFELD – WAHLE

Bundesverband der Deutschen Volksbanken und
Raiffeisenbanken – BVR

FINANCIAL MARKETS
MARCHES FINANCIERS
FINANZMÄRKTE

R. BORNS

Österreichischer Genossenschaftsverband (Schulze- Delitzsch)

CORPORATE SOCIAL RESPONSABILITY
RESPONSABILITE SOCIALE
DES ENTREPRISES
SOZIALE VERANTWORTUNG
DER UNTERNEHMEN

B.J. KROUWEL

Rabobank Nederland

SOCIAL AFFAIRS
AFFAIRES SOCIALES
SOZIALFRAGEN

H. BRICHART

Fédération Nationale du Crédit Agricole





Secretariat general on 31-12-2005

H. GUIDER

Secretary General

h.guider@eurocoopbanks.coop

A.- L. CHARRON

Adviser

a.charron@eurocoopbanks.coop

M. van BERKEL

Head of Payment Systems Department

m.vanberkel@eurocoopbanks.coop

M. ROY

Adviser

m.roy@eurocoopbanks.coop

V. HEEGEMANN

Head of Legal Department

v.heegemann@eurocoopbanks.coop

N. SCHINDLER

Adviser

n.schindler@eurocoopbanks.coop

E. BEVILACQUA

Adviser

e.bevilacqua@eurocoopbanks.coop

E. DE VOS-HUBER

Office Manager

e.devos@eurocoopbanks.coop

D. BOURDON

Adviser

d.bourdon@eurocoopbanks.coop

N. CORBISIER

Assistant

n.corbisier@eurocoopbanks.coop

SECRETARIAT GENERAL EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS (EACB)

Rue de l'Industrie 26-38 • B - 1040 Brussels • Tel. (32 2) 230 11 24 • Fax: (32 2) 230 06 49

e-mail : secretariat@eurocoopbanks.coop • <http://www.eurocoopbanks.coop>



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

Rue de l'Industrie 26-38 • B - 1040 Brussels • Tel. (32 2) 230 11 24 • Fax: (32 2) 230 06 49
e-mail : secretariat@eurocoopbanks.coop • <http://www.eurocoopbanks.coop>

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