

Articles of Association

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Berlin, October 2016

Articles of Association of the

Bundesverband deutscher Banken e. V.

Translation from the original German text, which is binding
in all respects.

§ 1 Name and legal form

The name of the association shall be “Bundesverband deutscher Banken e. V.” (“Association of German Banks”, referred to in the following as the “Association”). It shall be entered in the Register of Associations.

§ 2 Registered office and fiscal year

The registered office of the Association shall be located in Berlin. The fiscal year shall be the calendar year.

§ 3 Purpose

The purpose of the Association shall be, while paying due regard to macroeconomic concerns, to represent the interests of the German banks in all matters that are not confined to the area of a single regional association, the Employers’ Association or the special sphere of interests of the ship mortgage banks, particularly by

1. working together with the member associations and informing the member associations and the affiliated banks about issues affecting them,
2. presenting its views to authorities and parliaments on all issues affecting the banks,
3. informing the general public about the work and the tasks of the German banks,
4. cooperating with the domestic central associations and the foreign associations of the banking industry and the other business sectors.

The Association shall not pursue any commercial purposes.

§ 4 Deposit Protection Fund

1. The Association shall operate a Deposit Protection Fund of German Banks.
2. The purpose of the Deposit Protection Fund shall be to render assistance on behalf of depositors in the event of existing or imminent financial difficulties at banks, particularly in the event of an imminent suspension of payments, in order to prevent any impairment of confidence in the private banks.
3. The By-laws of the Deposit Protection Fund operated by the Association shall form an integral part of these Articles.

§ 5 Membership of associations

1. All German regional associations whose purpose as defined in their Articles is confined to representing the interests of the German banks, as well as the central association of the ship mortgage banks, shall be eligible for membership of the Association regardless of whether or not the associations have legal capacity.
2. Membership shall be acquired by resolution of the Members' Assembly following a written application for admission; the resolution shall require the majority necessary under Section 7, subsection 8 and the approval of all member associations.
3. The member associations shall be required to support the Association in the performance of its tasks and to notify it of any changes in their association and the management of their association.
4. Membership shall terminate upon the withdrawal or exclusion of a member association or if the conditions for membership no longer exist. A member association may only withdraw at the end of a fiscal year and only after having given 12 months' written notice. A member association may be excluded if it seriously breaches its

duties towards the Association or grossly contravenes other interests and objectives of the Association or the German banks; the resolution on exclusion shall require a majority of three-quarters of all votes of the Members' Assembly.

§ 5a Membership of banks

1. All banks organised in private legal form (OHG, KG, GmbH, AG, KGaA) which are based in the Federal Republic of Germany and have a full banking licence or are licensed to operate as Pfandbrief banks or ship mortgage banks, as well as German branches of comparable foreign banks, shall also be eligible for membership of the Association.
2. Membership of the Association shall be acquired by means of regular membership of a member association. The provisions of the Articles of the member associations shall therefore apply in this respect. The banks shall be required to acquire membership of all regional associations on whose territory they operate branches.
3. Membership of the Association shall cease upon termination of membership of a member association. If the bank is a member of several member associations, its membership of the Association shall cease when it is no longer a member of any member association.
4. The departing member shall still be required to pay the membership fees for the current fiscal year and to meet all other financial obligations towards the Association that existed at the time of its departure.

§ 5b Categories of banks

For the purposes of these Articles, banks shall be included in the different categories of banks as follows:

1. Big banks shall be banks that are classified as such in the Deutsche Bundesbank's banking system statistics.
2. Regional banks shall be banks which – without belonging to the “big banks” category – are operated in the legal form of the Gesellschaft mit beschränkter Haftung (GmbH) (private limited company), the Aktiengesellschaft (AG) (public limited company) and the Kommanditgesellschaft auf Aktien (KGaA) (limited company with one or more general partners), unless otherwise stated in subsection 3.
3. Private bankers shall be banks which are operated in the legal form of the offene Handelsgesellschaft (OHG) (general partnership) or the Kommanditgesellschaft (KG) (limited partnership). Kommanditgesellschaften auf Aktien (KGaA) (limited companies with one or more general partners) shall be deemed to be private banks provided that
 - a) the personally liable partners are natural persons and
 - b) the company's shares are not traded on the stock exchange and
 - c) the shares can only be transferred with the consent of the personally liable partners.

The condition set out under a) may be waived if, when waived, the bank had “private banker” status and the Private Bankers Committee approves its remaining in the “private bankers” category. By way of exception, a bank in the legal form of the GmbH or AG may be included in the “private bankers” category provided that the bank fulfilled the conditions set out in this paragraph prior to transformation and the Private Bankers Committee

approves its remaining in said category.

4. Foreign banks shall be
 - a) German branches of private banks which have their registered office abroad and
 - b) private banks incorporated under German law, a majority of whose capital is held by one or more foreign shareholders.

The banks referred to in b) whose shares only passed after their incorporation into the hands of one or more foreign shareholders, leading to a foreign majority shareholding, shall be free to switch to the “foreign banks” category if they so wish. In the event of any change in the ownership structure that results in foreign shareholders surrendering their majority shareholding, a bank may relinquish its foreign bank status.

Foreign bank status shall rule out inclusion in another category of banks at the same time.

§ 5c Extraordinary membership

1. The following may become extraordinary members if membership is in the interests of the Association:
 - a. bank holding companies of domestic and foreign member banks,
 - b. enterprises which are majority-owned by member banks,
 - c. credit institutions within the meaning of Section 1 (1) of the German Banking Act which do not fulfil the conditions laid down in Section 5a, subsection 1 of these Articles,
 - d. enterprises within the meaning of Section 1 (1a), (3), (3b), (3c) and (3e) of the German Banking Act,
 - e. payment service providers within the meaning

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- of the German Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz), as well as equivalent foreign enterprises, and
- f. enterprises which, based on innovative technologies, are product or process partners of banks or provide financial-service-related products or services.
2. Admission shall require an application upon which the Board of Directors shall resolve.
 3. Simultaneous membership of a member association shall not be necessary.
 4. Termination of membership shall be governed accordingly by Section 5, subsection 4 and Section 5a, subsection 4.

§ 6 Governing bodies

The governing bodies of the Association shall be

- a) the Members' Assembly (Mitgliederversammlung)
- b) the Delegates' Assembly (Delegiertenversammlung)
- c) the Board of Directors (Vorstand)
- d) the Presidency (Präsidium)
- e) the Management Board (Geschäftsführung)

§ 7 Members' Assembly (Mitgliederversammlung)

1. The Members' Assembly shall be the supreme governing body of the Association; its resolutions shall take precedence over the resolutions of all the other governing bodies, the working committees and the Deposit Protection Committee.
2. The Members' Assembly shall be composed of the representatives of the member associations, member banks and extraordinary members.
3. The member associations shall be represented by the chairmen of their boards of directors or another board member. The member banks shall be represented by an

active owner, managing director or board member of their own. Representation by another person eligible to vote in the Members' Assembly shall be permissible.

4. Each member association shall have one vote in the Members' Assembly; the member banks shall have one vote for every thousand or fraction of a thousand owners, managers and employees in Germany at the beginning of the calendar year. The votes can only be cast uniformly. Extraordinary members shall have one vote.
5. The ordinary Members' Assembly shall be held every three years, if possible within the first four months of the year. The Presidency may convene extraordinary Members' Assemblies provided it has important grounds for doing so. Such an extraordinary Members' Assembly shall be held if requested in writing by a quarter of the member associations or by the member banks with a quarter of the votes to which they are entitled, stating the reasons for it and its purpose.
6. The ordinary or extraordinary Members' Assembly shall be convened by the President or, in his absence, by one of his deputies. It shall be convened in writing by registered letter, giving two weeks' notice; the members shall be informed of the agenda beforehand, if possible together with the invitation to the assembly. In urgent cases the Presidency may decide that the required notice and form of convocation can be dispensed with.
7. The Members' Assembly shall be chaired by the President of the Association or, in his absence, by one of his deputies.
8. The Members' Assembly shall constitute a quorum if two-thirds of the votes are represented. Unless otherwise stipulated in the Articles, all resolutions shall require a majority of two-thirds of the votes cast. If a Members' Assembly lacks a quorum, a Members' Assembly with the

same agenda convened with at least one week's notice shall constitute a quorum regardless of how many votes are represented; attention shall be drawn to this in the invitation to the assembly.

9. The tasks of the Members' Assembly shall be
 - a) electing the members of the Delegates' Assembly pursuant to Section 7a, subsection 1,
 - b) passing resolutions on the admission and the exclusion of member associations pursuant to Section 5, subsection 2 and subsection 4,
 - c) dissolving the Association pursuant to Section 16.

§ 7a Delegates' Assembly (Delegiertenversammlung)

1. The Delegates' Assembly shall be composed of the chairmen of the member associations and further members who are elected by the Members' Assembly for a period of three years. Representatives of the extraordinary members may not be elected to the Delegates' Assembly. The elected members shall remain in office until new elections take place. If an elected member retires from office early, the Delegates' Assembly may elect a successor for the remaining term of office of the retiring member. The elected members of the Delegates' Assembly shall comprise:
 - up to six managing private bankers,
 - up to eight board members, personally liable partners or managing directors of regional banks, of which one should be a board member, personally liable partner or managing director of a Pfandbrief bank,
 - up to two board members, personally liable partners, managing directors or other managers of foreign banks,
 - up to two board members of each of the big banks.

The categories of banks and big banks referred to above shall be entitled to election of such a number of members; the Private Bankers Committee and the regional banks' representative in the Presidency shall have the right to propose the representatives of their respective categories and each big bank to propose its own representatives. No more than one-third of the representatives of the individual categories of banks may be members of the Advisory Council of the Auditing Association of German Banks (Prüfungsverband deutscher Banken) at the same time.

2. Each member shall have one vote in the Delegates' Assembly.
3. The member associations shall be represented by the chairmen of their boards or another board member. Irrespective of this, each member association and each elected member may transfer their vote(s) to another member of the Delegates' Assembly. No other form of representation shall be permissible.
4. The ordinary Delegates' Assembly shall be held once a year, if possible within the first four months. The Presidency may convene extraordinary Delegates' Assemblies provided it has important grounds for doing so. Such an extraordinary Delegates' Assembly shall be held if requested in writing by a quarter of the member associations or by all the elected representatives of a category of banks, stating the reasons for it and its purpose. At the request of a member association or all the elected representatives of a category of banks, an item shall be added to the agenda if such request, indicating the desired addition, is received by the Management Board at least one week before the date of the Delegates' Assembly.
5. The ordinary or extraordinary Delegates' Assemblies shall be convened by the President or, in his absence, by one of

his deputies. They shall be convened in writing by registered letter, giving two weeks' notice; the members shall be informed of the agenda beforehand, if possible together with the invitation to the assembly. In urgent cases the Presidency may decide that the required notice and form of convocation can be dispensed with.

6. The Delegates' Assembly shall be chaired by the President of the Association or, in his absence, by one of his deputies.
7. The tasks of the Delegates' Assembly shall be
 - a) electing the members of the Board of Directors,
 - b) electing the members of the working committees,
 - c) electing the members of the Deposit Protection Committee,
 - d) passing resolutions on amendments of the Articles,
 - e) approving the annual accounts, comprising the statement of revenue and expenditure and the statement of assets,
 - f) granting discharge to the Board of Directors, the Presidency and the Management Board
 - g) appointing the auditors of the Association's annual accounts,
 - h) fixing the total amount of membership fees to be paid by the ordinary members pursuant to Section 12,
 - i) accepting the annual accounts of the Deposit Protection Fund of German Banks,
 - j) granting discharge to the members of the Deposit Protection Committee,
 - k) passing resolutions on the exclusion of a bank from the Deposit Protection Fund (Section 4 of the Deposit Protection Fund operated by the Association).
8. The Delegates' Assembly shall constitute a quorum if two-thirds of the votes are represented. Unless otherwise

stipulated in the Articles, all resolutions shall require a majority of the votes cast. If a Delegates' Assembly lacks a quorum, a Delegates' Assembly with the same agenda convened with at least one week's notice shall constitute a quorum regardless of how many votes are represented; attention shall be drawn to this in the invitation.

9. Elections as referred to in subsection 1, sentence 4 and subsection 7 b) and c) can be held between the Delegates' Assemblies by voting in writing. In all other cases, voting in writing may be conducted in agreement with the President of the Association. Resolutions by voting in writing pursuant to sentence 2 shall require a majority of two-thirds of all votes of the Delegates' Assembly. A resolution shall not be adopted by voting in writing if a member association or the representatives of a category of banks object to this procedure.

§ 8 Working committees

1. The following working committees shall be set up to advise the governing bodies of the Association:
 - a) Retail and Wholesale Banking Committee
 - b) Legal Committee
 - c) Fiscal Committee
 - d) Banking Technology Committee
 - e) Committee on banks supervised directly by the ECB (SSM1)
 - f) Committee on banks supervised indirectly by the ECB (SSM2)
 - g) Economic and Monetary Policy Committee
 - h) Treasury Management Committee
 - i) Private Bankers Committee
 - j) Foreign Banks Committee

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- k) Corporate Finance Committee
 - l) Investment Banking Committee.
2. The members of the working committees shall be proposed in accordance with Section 7a, subsection 1, sentence 6, second part and elected by the Delegates' Assembly for a period of three years. They shall remain in office until new elections take place. If a member retires from current service at a bank, his membership shall terminate accordingly. If a member retires from office early, a replacement shall be elected for the remaining term of office of the retiring member.
 - 2.a. Up to two representatives of extraordinary members may be elected to the working committees with the exception of the committees listed in subsection 1 i) and j) above. These representatives shall belong to the respective committee in an advisory capacity without the right to vote.
 3. The working committees shall not have more than 24 members. The working committees referred to in subsection 1 a) to d), g), h), k) and l) shall comprise representatives of the private bankers, regional banks, foreign banks and big banks.
 4. Each working committee shall elect its chairman and his deputy itself.
 5. The working committee members shall be invited to the meetings by the Management Board in agreement with the chairman. The meetings may also take place in the form of telephone conferences.
 6. The working committees must be convened if at least six of their members request this, stating the item they wish to discuss.

§ 8a Project committees and communication forums

1. The Board of Directors may convene project committees for certain issues. The number of members shall be determined by the Board on a case-by-case basis. Section 8, subsection 3, sentence 2 and subsections 4 to 6 shall apply accordingly.
2. The Board of Directors may also convene communication forums to promote the exchange of information among member banks.

§ 9 Board of Directors (Vorstand)

1. The Board of Directors shall be a select body of the Delegates' Assembly. Its elected members shall comprise:
 - a) one board member of each of the big banks,
 - b) four board members, personally liable partners or managing directors of regional banks, of which at least one should be a board member, personally liable partner or managing director of a Pfandbrief bank,
 - c) two managing private bankers,
 - d) one board member, personally liable partner, managing director or other manager of a foreign bank.

The General Manager of the Association shall also be a member of the Board of Directors by virtue of his office.

2. The members of the Board of Directors shall be elected by the Delegates' Assembly from its midst for a period of three years; they shall remain in office until the new elections that take place after expiry of their term of office, unless an elected member of the Board of Directors resigns or is removed by the Delegates' Assembly. If a member of the Board of Directors retires before expiry of his term of office, a successor shall be elected for the remaining term of office of the retiring member.

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3. The Board of Directors shall elect from among the elected members its chairman – the President of the Association – and two deputies.
 4. The Board of Directors shall constitute a quorum if at least six of its members attend a meeting or express an opinion in writing. Resolutions shall require a majority of two-thirds of the votes cast, but at least six votes.
 5. The Board of Directors shall be in charge of all the business of the Association that is not reserved for other governing bodies under statutory provisions or the Articles. The Board shall lay down Association policy strategy and set the guidelines for the work of the Association. It shall be authorised to take any measures that are necessary or desirable under the Articles to achieve the purposes of the Association. It may at any time take over the tasks of the working committees and project committees or assign certain issues to one or more working committees.
 6. The members of the Board of Directors shall be entitled to attend all meetings of the working committees, the Deposit Protection Committee and the project committees.

§ 10 Presidency (Präsidium) and representation

1. The President of the Association and his two deputies shall form the Presidency of the Association. The Presidency shall comprise one representative each of the big banks, regional banks and private bankers.
2. The Presidency shall be the Board of Directors for the purposes of Section 26 of the German Civil Code (Bürgerliches Gesetzbuch (BGB)).
3. The Association shall be represented by two members of the Presidency.

§ 11 Management Board (Geschäftsführung)

1. The Management Board shall be composed of one or more Members of the Management Board (Mitglieder der Geschäftsführung).
2. The Presidency shall conclude the contracts of service with the Members of the Management Board. It shall determine their remuneration and the other contract terms. The Presidency may appoint from among several Members of the Management Board a General Manager (Hauptgeschäftsführer) and up to two further members of the Senior Management Board (Hauptgeschäftsführung).
3. Besides the General Manager, the Management Board shall attend the meetings of the governing bodies and committees with an advisory vote as follows:
 - Meetings of the Members' Assembly and the Delegates' Assembly: attendance by the Management Board;
 - Meetings of the Board of Directors: attendance by the further members of the Senior Management Board;
 - Meetings of the Presidency: attendance by the General Manager;
 - Meetings of the Deposit Protection Committee and the working committees: attendance by the relevant Member of the Management Board in each case.

Irrespective of this, the further members of the Senior Management Board shall be entitled to attend committee meetings. In addition, the chairman of each meeting may decide in agreement with the Management Board whether further Members of the Management Board or other employees of the Association should be included.

§ 12 Annual accounts and membership fees

1. The funds which the Association needs to perform its tasks shall be raised principally by means of fees payable by the ordinary members. The fee payable by an ordinary member shall be calculated as a proportion of the total amount of membership fees fixed under Section 7a, subsection 7 h). It shall correspond to the number of member-reported persons employed in Germany at the beginning of the fiscal year as a proportion of the total reported number of persons employed in Germany. The number of persons employed in Germany shall be reported to the regional associations by the member banks at the beginning of the fiscal year.
2. The Management Board shall prepare promptly for each fiscal year an estimate of the revenue and expenditure for the coming year; this estimate shall be presented to the Board of Directors for approval.
3. On the strength of the estimate, the Board of Directors shall fix the advance payments that are to be levied, whilst the total amount of fees payable by ordinary members shall be decided finally by the Delegates' Assembly in each fiscal year.
4. At the close of each fiscal year, the Management Board shall prepare annual accounts which must be audited by the appointed auditors before being presented to the Delegates' Assembly for final approval.

§ 12a Membership fees for extraordinary members

1. Extraordinary members shall pay for each person employed in Germany by the extraordinary member a quarter of the per capita fee assessed pursuant to Section 12, subsection 1, but at least € 10,000. The Board of Directors may in justified cases alter the minimum fee for extraordinary members

if this is appropriate due to a small number of persons employed in Germany by a member, e.g. in a start-up phase.

2. The number of persons employed in Germany at the beginning of the fiscal year shall be reported to the Association by the extraordinary members at the beginning of the fiscal year.
3. The Association shall collect fees from extraordinary members irrespective of the fees from ordinary members.

§ 13 Duty of confidentiality

1. The members of the governing bodies and committees of the Association and its member associations shall be obliged to keep in the strictest confidence and to make no unauthorised disclosure or use of anything of which they become aware in such capacity regarding the activities and results of the Deposit Protection Fund and the circumstances of the participating banks and their customers, even after termination of their membership of such governing bodies and committees. Such obligation shall also be imposed upon employees of, and other persons engaged by, the Association.
2. Subsection 1 shall not apply to communications made by governing bodies of the Association at their own dutiful discretion to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), the Deutsche Bundesbank or the Auditing Association of German Banks in connection with the purposes of the Deposit Protection Fund. Furthermore, subsection 1 shall not apply to communications to a member association of the Association in connection with the admission or the exclusion of a bank.

§ 14 Exercise of office

All offices may only be exercised personally and – with the exception of the Management Board – on an honorary basis.

§ 15 Minutes

Minutes shall be taken of all meetings of the Association's governing bodies, the Deposit Protection Committee and the working committees; they shall be signed by the chairman of the meeting and a managing director and kept at the Association's offices. A copy of the minutes shall be sent to the members of the governing bodies or committees concerned.

§ 16 Dissolution

In the event of the dissolution of the Association, the assets still remaining shall be distributed among its members in proportion to the fees paid by them.

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