



## **National Cooperative Bank and Laboral Kutxa (the Mondragon Bank) sign agreement**

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The world's largest industrial, worker-owned and run cooperative, Mondragon, founded in the Basque region of Spain over 55 years ago and winner of the 2013 Financial Times "Boldness in Business" award has agreed through its cooperative bank, Laboral Kutxa, to partner and build cooperative stakeholder businesses in local living economies throughout America with the U.S. based National Cooperative Bank headquartered in Washington, D.C.

For the first time in their respective operating histories, both Mondragon's Laboral Kutxa and National Cooperative Bank (NCB) will collaborate to support each other's banking customers including subsidiaries of cooperatives operating in the United States belonging to the Mondragon Group. Predicated on similar "doing well by doing good" principles, social responsibility values, and a growing understanding that cooperative markets extend beyond borders, both entities pledge to support each other's customers with regard to charges, payments, financial services, online banking systems, and other commercial banking practices.

National Cooperative Bank fulfills its singular mandate to strengthen America's cooperatives, their members and other socially responsible organizations through the delivery of social impact banking products and services. NCB's customers are cooperatives such as grocery wholesaler co-ops, food co-ops, purchasing co-ops, credit unions and housing co-ops who share in the spirit of joining and working cooperatively to meet personal, social, and business needs. Headquartered in Washington, DC, NCB has offices in Alaska, California, New York, Ohio and Virginia.

Laboral Kutxa of Mondragon, the financial cooperative arm of the Mondragon Group, is a cooperative bank fielding 450 branches with over 1,300,000 customers. Mondragon is the world's largest worker-owned industrial cooperative but also the top Basque region industrial group, ranked tenth in Spain with 80,000 personnel, a presence in 70 countries, and expanding operations across the U.S. and North America.

The NCB-Laboral Kutxa Memorandum of Understanding frames the general terms and conditions for the cooperation between both parties, based on subjecting each future transaction to a specific contract with market-driven competitive performance goals. This partnership intends to exchange best practices and experiences in social and solidarity-oriented high impact lending and to support international initiatives for the accelerated development and promotion of the global cooperative sector.

This agreement represents Mondragon's first international financial sector agreement but second precedent-setting U.S. collaboration during the past four years. Announced in late October, 2009, with an extensively researched structural template provided in March, 2012, North America's leading manufacturing union, the United Steelworkers, and Mondragon International agreed to develop a hybrid union co-op model that is currently adopted by multiple U.S. unions and underway in over ten

U.S. cities with projects ranging from an organic sustainable farm to a commercial laundry to energy efficiency. To buttress this initiative, Mondragon International USA has partnered with the Ohio Employee Ownership Center (OEOC) and The City University of New York (CUNY) School of Law's Community Economic Development (CED) Clinic to create reusable union-coop business templates and communities of practice with the Cincinnati Union Cooperative Initiative (CUCI) illustrating the leading metropolitan success story to date.

Both Mondragon's partnership with National Cooperative Bank through the Mondragon Bank, Laboral Kutxa, and its union-coop model collaboration with the United Steelworkers reflect the ten basic principles that Mondragon co-operatives have put into practice during the past fifty-five plus years (open admission, democratic organization, sovereignty of labor, instrumental and subordinate nature of capital, participation in management, wage solidarity, inter-cooperation, and education). Fully compatible with the UN Principles for Responsible Investment, the National Cooperative Bank - Laboral Kutxa partnership intends to promote investments and businesses essential for revitalizing local productive economies and renewing community prosperity.

In the U.S. alone, member-owned organizations account for \$3 trillion in assets, \$500 billion in revenue, and more than one million jobs. Specifically, the United States fields 29,000 cooperatives holding 350 million co-op memberships and consisting of 900 rural electric coops with 42 million clients in 47 states, two million farmer-members in 3000 farmer-owned cooperatives who provide over 250 thousand jobs and annual wages of \$8 billion, 250 purchasing coops offering group buying and sharing to more than 50,000 independent businesses, 7500 credit unions providing financial services to nearly 90 million members, and circa 8000 housing coops providing one million homes. Mondragon's recent annual sales in North America have reached the \$250 million level.

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