



EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS

Activity Report

June 2000

June 2002



TABLE OF CONTENTS

THE EUROPEAN ASSOCIATION OF COOPERATIVE BANKS	6
FORWORD BY THE PRESIDENT	7
THE INTRODUCTION OF THE EURO	8
1. The preparatory phase	8
2. Challenges for the future	9
THE FINANCIAL SERVICES ACTION PLAN	9
BANKING SUPERVISION	10
1. The new Basel capital adequacy regulation	10
2. The supervision of financial conglomerates	11
3. Amendment to the money laundering directive	12
PAYMENT SYSTEMS	13
1. Low- value payments	13
2. Large- value payments - TARGET	15
3. Securities Settlement	15
CONSUMER POLICY	15
1. Code of conduct for mortgages	15
2. Insurance mediation	16
3. Distance marketing of financial services	16
4. Revision of the consumer credit directive	17
5. Out of court settlement networks	17
ACCOUNTING AND STATUTORY AUDITING	18
1. IAS (International Accounting Standards)	18
2. EFRAG	19
3. Statutory Auditing	19



FINANCIAL MARKETS	20
1. Securities market regulation	20
2. European Master Agreement	20
3. Eurepo.....	20
TAXATION	21
SOCIAL AND SECTORAL ISSUES	21
Social affairs and personnel.....	21
Corporate social responsibility	22
The provision of finance	22
1. Small and medium- sized enterprises	22
2. Fisheries.....	22
RELATIONS WITH THE ACCESSION COUNTRIES	23
CO-OPERATION IN THE CO-OPERATIVE SECTOR	23
Interaction with the co-operative sector	23
1. The Co-coordinating Committee of European Co-operative Associations (CCACE).....	23
2. The European co-operative statute	24
“CO-OPERATIVE BANKS 2000: UNITED IN THE FACE OF A CHANGING WORLD”	25
ANNEXES	85



THE EUROPEAN ASSOCIATION OF CO-OPERATIVE BANKS

The European Association of Co-operative Banks is one of the main organizations representing the credit sector in the European Union. It is officially recognized, along with other European Credit Sector Associations (ECSAs) representing commercial banks or savings banks, by European institutions such as the European Commission, the European Parliament, the Council of the EU, and the European Central Bank. As such the EACB acts as the spokesman for the whole European co-operative banking sector.

The 30 EACB member organizations operate in the 15 EU member states as well as in several accession countries. The European Association of Co-operative Banks is therefore the only association comprising all co-operative banking groups. This broad representativeness guarantees efficient defence of co-operative interests.

The EACB aims at defending its members' interests when EU initiatives are likely to affect co-operative banking activities. Priority areas for action are further detailed in the body of this activity report.

STATISTICAL PROFILE OF CO-OPERATIVE BANKS IN The European UNION:

(Key statistics as of 30.12.2001)

Regional/local banks:	4.828
Banking outlets:	51.725
Members	37 millions
Clients	101 millions
Staff	505.640
Total assets	1.919.000 (*)
Deposits	1.209.560 (*)
Loans	1.033.000 (*)
Market share	17%

(*) Million Euros



FOREWORD BY THE PRESIDENT

The constraining trends discernible in recent years were confirmed during the period under review. Globalisation, increased recourse to new technologies, innovation and aggressive competition, taken in aggregate, produced some quite acute repercussions on the banking industry throughout Europe. In terms of numerical strength, the European Central Bank's statistical evidence points to an institutional contraction of 32%, thus bringing the current number to 8,400 entities. Hence, it can be asserted that the continent's banking market shrank quite significantly. This is the landscape within which European co-operative banks stood their ground by pursuing their activity relentlessly, building on their financial strength and responding to their commitments to their customer bases.

By way of introduction, one should recall that the period under review was marked by the fiduciary euro's launch as a last step in a process initiated on January 1st 1998 towards the achievement of the European Economic and Monetary Union. In this last phase, when euro coins and notes were introduced, co-operative banks naturally played their part by mobilising all their technical, financial, and human resources to ensure that the new currency's introduction would be frictionless without consumers being required to bear the brunt of an excessive cost overload.

Work discharged by the European Association of Co-operative Banks, umbrella body and spokesman for Europe's 4,500 co-operative banks, was seen to have been influenced by both the European Commission's initiatives and the Basel Committee's discussions on the new capital adequacy regulation for the banking world.

It is useful to highlight the fact that Europe's co-operative banks are retail banks whose energies are directed at the local or regional levels within which their clients are primarily the small business sector, the craft trades and the personal segment. It could be speculated, therefore, that a geographical orbit of this category, crucial to funding local and regional development, might well be affected by action spearheaded by internationally active banks or those that are broadly termed "Global players". This is precisely the case of the new capital adequacy regulation in so far as it was initially configured for "Global players" but which will apply to all European banks, irrespective of function, size, market or location. Hence, it can be taken as the underlying rationale that inspired the European Association of Co-operative Banks to leave no stone unturned to ensure that retail banks are treated fairly, that competitive distortions are avoided, that new capitalisation requirements are ruled out and last, but not least, that administrative surcharges are not imposed as a prescription for tightening the European and world banking system. Such mobilisation will be stepped-up as the Basel Accord and the Draft Commission Directive come to a conclusion.

In the area of cross-border payments, co-operative banks offer their clients products such as TIPANET or Unipay. These payment systems meet requirements set in Community directives and are in line with the goals formulated by the European Central Bank in this area. This is the reason why co-operative banks unanimously took a firm position against the new cross-border payment regulation adopted in 2001 that imposes a single price for domestic and cross-border payments alike. Be that as it may, given the position enjoyed by co-operative banks on the European retail banking market, they intend to make a significant contribution to the establishment of a Single European Payments Area. Thirdly, the European Association of Co-operative Banks expressed great interest in all initiatives pertaining to consumer protection in the field of financial services. These initiatives launched either by the European institutions or by the industry are useful for the European consumer as long as they do not limit their freedom of choice and do not impose new administrative constraints on credit institutions.

Co-operative banks henceforth intend implementing strategies to enable them to benefit from the Single Market and the Single Currency in order to lay the groundwork for a European banking theatre; one that will reflect co-operative values and enhance the concept of customer service. The co-operative statute, to the extent that it constitutes one of legal bases on which European co-operative banks repose, must find expression in the tenets enshrined in the European Co-operative Statute that has been under consideration for over a decade. Adoption of this particular statute without delay will ensure recognition of co-operatives' specificities at European level. It will be highly beneficial to European companies concerned to draw on its content and thereby reap the rewards of the internal market and also to companies and banks in the accession countries.

In conclusion, European co-operative banks and the European Association that lobbies in Brussels on their behalf participate to the full in assignments undertaken to build the European market. Moreover, their commitment to the integration of the European Single Market will continue unreservedly in the interests of the economic actors involved (in this case, co-operative banks and their members).

Brussels, June 2002

Wim MEIJER



THE INTRODUCTION OF THE EURO

The period under review was marked by the preparatory work for the introduction of euro coins and notes, by the actual introduction, and by the final clients' account transition from a national currency to the euro. The 4,500 co-operative banks in Europe contributed to the success of this historical event and the European Association of Co-operative Banks acted as the voice for their expectations and demands vis-à-vis the European institutions during the preparatory phase.

1. The preparatory phase

The European Association of Co-operative Banks attended several meetings with the European Commission, the European Parliament and the European Central Bank in the course of which they sought to sharpen their awareness and urge them to bear the specificities of decentralised banking networks in mind when making their choices. This was the framework within which the Association was given a listening and understanding ear to help it prepare for the changeover to the fiduciary euro.

In the case of front-loading coins and banknotes prior to 1st January 2002, co-operative banks:

- argued in favour of front-loading before 1st January 2002 on acceptable financial terms. An agreement was reached to begin front-loading in the fourth quarter of 2001.
- supported the idea of beginning to front-load the retail sector in the last few weeks of 2001.
- endorsed the principle of front-loading consumers with coins only in the form of, say, "kits". This should commence only a few days before 1st January 2002 since clear and specific rules must be established to prevent all premature use.

Turning to the financial front, co-operative banks were concerned to make it clear that most of the costs of introducing coins and banknotes is borne by the banking sector and that, in fact, it is up to credit institutions to bear a significant proportion of the transport, storage, security and distribution costs as well as those for repatriating old national currencies. Adding to that EACB underlined that, whatever investments were made to introduce the fiduciary euro are not to last more than six months and that investments over such a short time-span can be particularly costly.

Consequently, co-operative banks took the view that Public Authorities should facilitate the introduction of euro coins and banknotes by a contribution, which extended well beyond the definition of a scenario. On that view, co-operative banks reasoned that Public Authorities should shoulder a proportion of the costs



borne by banks, e.g. the cost of holding extra cash. This is the context in which the Association, in conjunction with the European Credit Sector Associations (ECSAs), authored a position paper on neutralising such a cost overrun, which was sent to the ESCB.

As concerns ATM as a means of putting the euro into circulation, the EACB urged the ECB to arrange for testing well before 1st January 2002 so as to guarantee that whatever equipment was installed would be able to take the banknotes most requested by clients. Co-operative banks are pleased to report that these issues were favourably received by the ECB's competent services.

At the end of this thorough preparatory phase, the fiduciary euro, introduced in twelve Member States on 1st January 2002, was ushered into the euro zone's co-operative banks smoothly, thereby reflecting the image of the banking and financial sector generally. After two weeks, the proportion of cash payments in euros averaged almost 92% (in volume terms). In five countries (Germany, the Netherlands, Ireland, Finland and Luxembourg) the changeover to the euro was practically complete after two weeks (with 95% or more of payments being made in euros). In all the participating countries very little national currency remained in circulation.

2. Challenges for the future

The arrival of the new currency has brought to light some other issues that need to be resolved with which the EACB is presently dealing i.e.

- The need for a harmonisation of the service fees for cash services offered by the euro area national central banks (NCB's).
- The need for harmonisation of all laws and regulations concerning cash-in-transit to allow friction-free cross-border services.
- Protection of the euro against counterfeiting: The ECB has opened a discussion with stakeholders on a communication campaign on counterfeiting and on a proposal on guidelines for the introduction of cash recycling machines in the context of protecting the euro against counterfeiting. EACB is invited to meetings on this issue and intends to communicate with its members.

THE FINANCIAL SERVICES ACTION PLAN

The European Commission's Action Plan was adopted in May 1999. It defines the overall strategy that the European Union must implement in order to finalise financial market integration. The Lisbon and Stockholm Councils approved this Action Plan and set 2003 as a deadline for the integration of Securities markets and 2005 for the integration of financial markets. The European Association of



Co-operative Banks welcomed this initiative that identifies the work to be carried out towards a full integration of financial markets and expressed its position on the various Commission's initiatives. Next to this integration effort, the European Association of Co-operative Banks focused its attention on the Basel Committee's work pertaining to capital adequacy and reacted to the various consultative papers published over the past few months. It also participated in many technical meetings with the various experts entrusted with this topic at European level.

BANKING SUPERVISION

1. The new Basel capital adequacy regulation

The Basel Committee on banking supervision reported that the equity capital accord it had produced in 1998 would be followed by a regulation more in line with the architecture of the banking industry at the present time. Its basic principles would be based on flexibility with greater heed paid to risks generally. Within that framework, the Committee put a preliminary consultative paper into circulation in June 1999 followed by a second consultative paper in January 2001 and followed, a month later, by the European Commission issuing a consultation document of its own. Meanwhile, the timetable for the adoption of this new equity capital accord also changed.

In response, the Association drafted exhaustive statements of position on this series of documents and also submitted commentaries on the Basel Committee's working papers ("The IRB Treatment of Expected Losses and future Margin Income", "Pillar 3 – Market Discipline", "Risk Sensitive Approaches for Equity Exposures in the Banking Book for IRB Banks" and "The Regulatory Treatment of Operational Risk").

As decentralized banking groups active in the financing of small and medium size enterprises, the main stands Europe's co-operative banks have taken on the discussions under way in Basel and Brussels are synopsized below¹:

- Retention of the 8% capital ratio for medium-sized co-operative banks;
- IRB approaches must be defined in such a way as to make them a realistic option for decentralized banking groups and smaller-scale banks;
- Granting authorisation to phase in IRB approaches by degrees;
- Smaller-scale banks' interests must be taken into account and such banks must not be disadvantaged;

¹ All statements of position can be downloaded on the Association's website: www.eurocoopbanks.coop



- Under no circumstances must Basel's regulations weaken decentralized banking groups and their specific structures compared to their rivals (e.g. regulations governing operational risks or "Equity Holdings");
- Giving an appropriate definition of and assigning favorable risk weightings to retail banks when drawing up methods for calculation;
- Not laying down additional equity capital requirements for loans to SMEs;
- Recognising all standard bank guarantees as a risk-reduction factor;
- Offering assurances of a certain degree of flexibility and, when it comes to transposition across Europe, proceeding with the necessary adjustments on an as needed basis, for balanced transposition in the interests of competitive equality.

2. The supervision of financial conglomerates

In April 2001, the Commission published a proposal for a directive the purpose of which is to guarantee that "heterogeneous" financial groups encompassing various branches of the economy (banks, investment undertakings and insurance companies) are very comprehensively supervised. Predominantly, it is designed to ensure that the financial conglomerate has adequate capital, introduces methods for calculating a conglomerate's overall solvency position, deals with issues of intra-group transactions, exposure to risk and the suitability and professionalism of management in financial conglomerates while making it mandatory for Member States to appoint an authority to co-ordinate action undertaken by authorities involved in supervising financial conglomerates.

The proposed directive, based on documents drafted by the Joint Forum, an entity comprising representatives from the Basel Committee, IOSCO and the IAIS, was presented in February 1999 under the title of the "Supervision of financial conglomerates".

The Association, which had already identified shortcomings in the Joint Forum's proposals, submitted proposals for amendments. Basically, the arguments it puts forward in the statement of position it returned on the Commission's proposed directive centre on:

- the need to highlight the qualitative aspect of financial conglomerate supervision and not impose further equity capital requirements,
- the need to take adequate account of the real correlation between banking transactions and those in the insurance industry as well as all the repercussions arising from diversification,
- the need to provide adequate instruments with which to manage intra-group transactions qualitatively and risks taken by institutions and to abolish quantitative limitations,



- the need to weigh participations in insurance undertakings reasonably. For supervisory purposes, the need to abolish the facility whereunder equity capital holdings in insurance undertakings can be deducted completely,
- the need to retain sectoral supervisory rules and not lay down additional equity capital requirements via “cross-sector” capital which is restrictive,
- the need to allow the financial conglomerate chose whatever method it wishes to calculate capital adequacy,
- the need to secure the best possible degree of convergence when it comes to applying the rules,
- the need to avoid duplicating all forms of supervision by establishing a clear and precise definition of how supervisory authorities are to split their competences and powers between one another, nationally and internationally,
- the need for supervisors’ decisions to be transparent and, as far as possible, taken in consultation with the parties concerned. When rules are being amended under the comitology procedure, provision must definitely be made for the obligation to confer with the industry without delay.

The beneficial prospects of a dialogue between the legislators and the industry prompted the Association to approach the European Banking Federation and European Savings Banks Group and argue the case for closer co-operation in this particular area. This was the rationale that induced the Association to suggest to Commissioner Bolkestein, in conjunction with the other European credit sector associations, to form a Committee of representatives drawn from national supervisory bodies and financial sector associations and whose terms of reference would be to ensure that the new supervisory rules were applied convergently and to guarantee speedy consultation under the comitology procedure.

3. Amendment to the money laundering directive

The tragic events that took place on 11th September 2001 re-emphasised the salience of money laundering and the fight to combat terrorist financing. The Association has been paying the closest of heed to work being done in this area since it often leads to the imposition of more binding provisions for banks and, more particularly, for the retail banking segment. This is the context the Association used to press for regulations designed to combat the fraudulent use of the banking system that are not only highly effective but equally easy to enforce in practice.

A proposal for a directive amending directive 91/308/EEC to prevent the use of the financial system for the purposes of money laundering was adopted in November 2001. This revised version is intended, first and foremost, to include all forms of organized crime whereas up until now the directive only applied to



the proceeds of drug offences. The new proposal would also extend the scope of the current Directive, limited to the financial sector, to a series of non-financial activities and professions that are vulnerable to misuse by money launderers. Requirements as regards client identification, record keeping and reporting of suspicious transactions would therefore be extended to accountants, auditors, real estate agents, notaries, lawyers, dealers in high value goods such as precious stones and metals and works of art etc., jewelers, transporters of funds and casino managers. Thus, there is every likelihood that the fight to combat money laundering will be extended in the current political climate under the authority of the Financial Action Task Force on money laundering (FATF), the international agency established to combat money laundering. In October 2001, the Member States signed the "Protocol to the 2000 Convention on judicial co-operation in criminal matters between the Member States of the European Union" and promised to ratify it within a year. The Protocol in question prescribes that Member States suspecting the existence of acts of a decidedly fraudulent nature to exchange information with a view to ascertaining if a person holds a bank account in their country and, if necessary, to identify the types of transactions that have been conducted over a precise period of time. Requests may also be made to have bank accounts supervised. Some Member States have already programmed the introduction of "evidence exchanges".

In this particularly sensitive area, co-operative banks support any initiative aimed at reinforcing the fight against fraud and money laundering. The European Association of Co-operative Banks was invited by Interpol to attend a conference in Rome in November 2001 in the course of which debate centred on co-operation between banks and law enforcement agencies.

PAYMENT SYSTEMS

The period under review was one of high activity, in particular, in the low value payment sector. The banking sector, the European Institutions, and the European Central Bank were all actively involved in these initiatives.

1. Low value payments

- Multilateral Interbank Fee (MIF)

In parallel with work undertaken to ensure the successful introduction of the fiduciary euro, the European Association of Co-operative Banks along with the other two European Credit Sector Associations (ECSAs) started in early 2000, working on a notification to the European Commission of a convention on a Multilateral Interbank Fee. The MIF must contribute to a significant reduction in cross-border transfer costs by enabling automation in the end-to-end process governing the execution of a cross border payment. To achieve this objective, several building blocks had to be put in place:



- a (new) SWIFT standard specifically designed to create a minimum message framework for STP transactions (MT 103+ and MT 101+)
- a precise definition of STP
- an International Bank Account Number (IBAN)
- a requirement to make use of a Bank Identifier Code (BIC)
- a harmonised level throughout the EU for the exemption from balance of payment reporting requirements.

The preparatory work on the MIF notification finished on 8th June 2001 when a formal request for clearance was submitted to the European Commission.

- Regulation of the Council and the European Parliament on cross border payments in euro

The European Commission decided to launch, in July 2001, a legislative process aimed at regulating the price levels of cross border payments in euro. The European Association of Co-operative Banks took a firm position against the European Commission's proposal (actually against the means rather than the objectives of the proposal) to align the prices for cross border payments on those of domestic ones.

The European co-operative banks considered that such a regulation on cross border payments penalised both the banking sector in its effort to create a single market for payment systems as well as for the final consumer. In addition, EACB thought the initiative inappropriate on an economic as well as on legal as well as on a technical level. It developed a series of arguments in a position paper forwarded to the European institutions.

- Euroland - our Single European Payments Area (SEPA)

Despite efforts by co-operative banks and all European banks, the regulation on cross-border transfers was adopted in November 2001. This regulation will come into force in two stages:

- to align, from 1st July 2002, charges levied with respect to cross-border electronic payment transactions in euro up to EUR 12,500 with charges levied in respect of corresponding payments in euro on a domestic level;
- to align, from 1st July 2003 at the latest, charges levied in respect of cross-border credit transfers in euro up to EUR 12,500 with the charges levied in respect of corresponding credit transfers in euro on a domestic level.

In this context, the EACB, together with the European Banking Federation (EBF) and the European Savings Bank Group (ESBG), launched an ambitious initiative to help define a strategy to build a true internal market for payments in euro in which borders disappear ("Single Euro Payments Area"). Early 2002 a two-day



workshop was organised to bring together experts of a cross section of the European banking industry to identify relevant key issues to be addressed in order to realise this Single Euro Payments Area. The workshop resulted in several key recommendations relating to:

- future customer requirements/payment instruments,
- future payments infrastructure,
- standardisation requirements,
- the development of electronic means of payment.

2. Large value payments: TARGET

EACB has been involved in discussions on TARGET in the inter-federation working group on TARGET composed of experts from the three ECSAs and as a member of the Group on Euro Payments Strategy (COGEPS), a high level discussion forum between the ECB and the ECSAs. Discussions within those groups focused on clearing schemes in the event of a system breakdown and on TARGET's practical aspects. It was against this backdrop that co-operative banks requested the ECB to be kept informed of the choices for and decisions to be taken on TARGET II.

3. Securities Settlement

Co-operative banks in general are heavily committed to retail banking. Some of them, however, have also developed important activities in the field of securities settlement and, on behalf of the EACB, have a seat in the securities settlement working group set up by ECB. The thrust of the discussions in this forum is on the extent to which securities settlement delivery systems are being concentrated and the repercussions on the banking and financial sector arising therefrom. In this context, co-operative banks are keeping a close watch on future developments and their effects in terms of providing access for small or medium-sized banks.

CONSUMER POLICY

As one of the main retail banking networks in Europe, co-operative banks have been involved in all initiatives in the field of consumer policy pertaining to financial services i.e.:

1. Code of conduct for mortgages

A Code of Conduct on pre-contractual information on home loans, entitled Code of Conduct for Mortgages, has been negotiated in July 2000 within the framework of the so-called "Dialogue" procedure established by the Commission in 1997 between the European Credit Sector Associations and Consumer organisations. The Code covers mortgage credits as well as other kind of contracts based on securities commonly used in the Member States. The decision on which



securities to include in the scope of the Code will be taken at national level. The core of the Code is represented by the preliminary information to be given to consumers and the Standardised Information Sheet. The former can be given also in various brochures while the latter is to be presented as a standardised form, which will enable cross-border comparisons. Co-operative banks were encouraged to adopt the Code of Conduct which will come into force September 30th, 2002. In order to inform the consumer, the European Commission has published an on-line register of all the credit institutions that have adopted the Code of Conduct. Following the repeated requests made by the EACB, the Commission has opted for a positive list.

As foreseen, the EACB will regularly report on the implementation of the Code, on the basis of quantitative information collected at national level. The Commission will eventually evaluate the effectiveness of the Code base on the information supplied.

2. Insurance Mediation

The goal of this September 2000 Directive proposal is to make it easier for insurance intermediaries to avail themselves of the freedom of establishment and freedom to provide services while guaranteeing a high level of protection for the interests of customers. The Directive proposal fixes a regulatory framework for the registration of insurance intermediaries and for their professional qualifications (e.g. professional training, good repute, professional indemnity insurance). For banks that engage in the distribution of insurance products, it is thus stated in the final text of the Common Position that a reasonable proportion of the persons within the management of the undertaking and all other persons directly involved in insurance or reinsurance mediation have to demonstrate knowledge and ability necessary for the performance of their duty.

This Directive proposal lies at the heart of strong debate within co-operative banks on the very content of the various provisions as well as on the rationale behind it and the choice to be made between maximal or minimal harmonisation.

3. Directive on the distance marketing of financial services

The purpose of the Directive proposal, which has been put forward by the European Commission in the year 1998, is to establish a clear regulatory framework for the distance marketing of financial services by telephone, by electronic means such as the Internet or by mail. The directive is relevant for the banking sector, as long as it outlines the information requirements the financial service provider has to fulfil towards the consumer when engaging in contractual relationships concluded through means of distance marketing. The information covers the service provider (e.g. identity, address, register number, etc.), the financial service itself (e.g. main characteristics, total price, etc.), distance contract (e.g. duration, conditions of the right of withdrawal, etc.) as



well as the redress (access to out-of-court settlement systems, existence of guarantee fund).

The EACB adopted a position on this initiative as it affects developments in the field of direct selling of financial services via new technologies.

4. Revision of the consumer credit directive

The European Commission justifies the revision of the Consumer Credit Directive with the need to address the slow pace of development of a substantive cross border consumer credit market. As a consequence, the current legal framework which dates back to the 1987 Directive should be reviewed to enable consumers and enterprises to benefit from the Internal Market. To this end, the Commission organised in July 2001 a hearing which the EACB attended. Co-operative banks are convinced that mortgage credit used for the purchase of consumer goods should not be included in the scope of the Consumer Credit Directive, due to its fundamentally different nature. This was further underscored by a common letter addressed in January 2002 by the European Credit Sector Associations (European Association of Co-operative Banks, European Banking Federation and European Savings Banks Group) and the European Mortgage Federation to Commissioner Byrne to draw the Commission's attention to the fact that any new initiative in the field of mortgage credit might endanger the credibility of the Code of Conduct. The formal Directive proposal is expected towards mid-2002.

5. Out of court settlement networks

The networks are designed to enable consumers and business to reach quick resolution of disputes involving parties from at least two Member States through an out-of-court procedure, thus boosting consumer confidence and helping the development of the Internal Market.

The European Extra-Judicial Network (EEJ-network) started a pilot phase in October 2001 and will deal with any dispute between a consumer and a business over goods and services and regroups existing out-of-court settlement organisations of all 15 Member States as well as Norway and Iceland. Fin-Net complements the EEJ-Net and is exclusively geared towards financial services.

As a key provider of Consumer credit and having a particularly privileged relationship with their customers, which often also are their members, out-of-court settlement networks directly concern the co-operative banks. For clients of co-operative banks, complaints are usually treated on a local level due to their decentralised network structure. But many co-operative networks also dispose of ombudsmen on a national level, some of which will participate in Fin-Net. Therefore, the EACB emphasises that new mechanisms do take this reality into account and do not translate into disproportionate administrative burden for the banks and particularly for those acting within a local context.



ACCOUNTING AND STATUTORY AUDITING

1. IAS (International Accounting Standards)

In November 2000, the Association formed a new working group on “Accounting and Statutory Auditing” whose terms of reference are to inquire into all issues with a bearing on international accounting standards.

The “Fair Value” Directive, one of the key measures in the Financial Services Action Plan, was thus adopted in May 2001. The Directive amends the 4th Directive on Annual Accounts, the 7th Directive on consolidated accounts and the Bank Accounts Directive to enable the valuation of certain financial instruments at fair value. The Directive does not recommend using the fair value. It is simply intended to allow such an approach be used throughout the European Union. The fair value of financial instruments is determined by the market value or generally accepted valuation models. Nearly all changes in fair value, even though not realised, need to be shown in the company's profit and loss account.

Initially, the proposed directive was not expected to apply to credit institutions, but a discussion in the Banking Advisory Committee led to banks being included. Consequently, the Bank Accounts Directive (86/635/EEC) was amended along those lines. Despite the directive now applying to banks too, no arrangements have been made for the accounts to be based on fair value exclusively: a fact that is a cause for concern to the Association and to the majority of European banks.

The EACB also looked into the European Commission's “Proposal for a Regulation on the Application of International Accounting Standards”, presented in February 2001. The Regulation would require all EU companies listed on a regulated market, including banks and insurance companies, to prepare their accounts in accordance with International Accounting Standards (IAS) from 2005 onwards. Member States would be authorized to extend their requirement to unlisted companies and to the production of individual accounts. Some Member States have already signalled their intention to use it.

The EACB expresses strong reservations on the introduction of some IAS chief among them being IAS 30 and IAS 39. In the case of the latter, time-based calculation seems extremely problem-fraught compared to minimum value time which is standard practice in Europe. A particularly important issue of which account should be taken is that risk management, internal to banks, is considerably constrained by not recognizing Macro-Hedging and internal transactions. This means that IAS 39 clearly runs counter to leading banks' current risk management practices. IAS 30 would need to be paralleled as far as possible with the Basel Committee's provisions on market discipline (pillar III). The Association, for its part, used personal bilateral consultations or correspondence to disclose its position to both the Commission and the London-based International Accounting Standards Board (IASB).



2. EFRAG

The regulation on applying international accounting standards provides, under recital (8) for the introduction of a new Communitywide mechanism to assess IAS as prescribed by the IASB and to ensure their enforcement across the European Union by 2005. Responsibility for translating this assignment into reality has been vested in the European Financial Reporting Advisory Group (EFRAG).

The EACB, as a founding member of EFRAG, considers that the establishment of such a Committee aimed at examining IAS meets a genuine need on the part of the industry and the European banks and wishes that European institutions give it their full support.

3. Statutory auditing

In November 2000, the European Commission adopted a Recommendation setting out “Minimum quality assurance standards for statutory audits”. The Recommendation does not impose common standards but outlines quite a comprehensive set of minimum requirements in terms of procedure, frequency, scope, differences between methods, public oversight and disciplinary methods, etc. Virtually all Member States will need to upgrade their quality assurance standards if they are to comply with the requirements involved. The European Commission will review progress towards the harmonization of quality assurance three years after the adoption of this Recommendation and reconsider the need for legislation if appropriate.

The Commission also published a Recommendation on the “Independence of statutory auditors” in May 2002. The Recommendation focuses on the main features of statutory auditors’ independence. The proposed framework calls the attention of statutory auditors to the expectations of those directly affected by their work, the public interest and threats to independence that may arise in practice and the safeguards available to eliminate those threats or to reduce them to an acceptable level. This framework would be complemented by specific requirements providing guidance on the application of the general principles to specific situations, including prohibition where no other safeguard would be acceptable.

In this area co-operative banks deem it necessary to organise consultations with industry and wish to recall that some co-operative networks do have their own mechanisms recognised by the authorities. Any new initiative should take such systems into consideration as they have, in the past, proven to be efficient.



FINANCIAL MARKETS

1. Securities market regulation

The Committee of Wise Men formed by the European Commission and chaired by Baron Alexandre de Lamfalussy presented its final report on the regulation of European financial securities markets in February 2001. The report concludes that reforms are necessary throughout the European Union in order to achieve an integrated financial market by the end of 2004. The pace at which current regulation is moving is too slow, unduly inflexible and poorly adjusted to the needs of modern financial markets. The proposals are essentially aimed at establishing a 4-level regulatory framework for European financial securities markets. The conclusions were approved by the European Council in March 2001 in Stockholm. The recommendations set out in the Lamfalussy report have been reflected in several proposed regulations (stock exchange prospectuses, market manipulation but also in the supervision of financial conglomerates).

The Association has warmly welcomed the Lamfalussy report's proposals in the realization that they will speed up amendments to the technical regulations that underpin rapidly evolving financial markets. However, such acceleration must not be prioritized over widespread consultation with the industry. Assessed from that angle, legal assurances have been sought for the comitology procedure with which scrupulous compliance must be exacted. The EACB position and that of the other two European Credit Sector Associations led to the incorporation of a rider into the text of the directive on Financial Conglomerates stipulating that the Commission will, first and foremost, be obliged to publish proposals intended for the comitology produce and to disclose them to the industry for consultation.

2. European Master Agreement

At the end of the year 2000 the three European Credit Sector Associations under the leadership of the Banking Federation officially launched a common project entitled "European Master Agreement" (EMA). Already in July 2001 EMA was fully ready for use by the European banking industry. The EMA aims to consolidate various domestic agreements for repurchase transactions and securities lending into a single harmonised framework. Its multi-jurisdictional and multi-product nature makes EMA an agreement that fits in perfectly with the new environment created by the single market and the introduction of the euro.

3. Eurepo

In March 2002 the three European Credit Sector Associations (ECSAs) announced, in cooperation with the European Repo Council (ERC) the launch of EUREPO (www.eurepo.org), a new reference rate for the Repo market that emerged subsequent to the introduction of the scriptural euro in 1999 and based on contributions from a panel of 38 banks, three of which are leading co-operative banks.



TAXATION

European Commission's Directive proposal on Savings income taxation

The intention of the draft directive is to prevent individuals from practicing tax evasion through undeclared savings income in other Member States than the one of their residence. The new Directive proposal would generalise the information exchange mechanism after a transitional period of seven years for Belgium, Austria and Luxemburg. The final adoption of the Directive by the Council hinges on the success of negotiations with third countries to introduce similar information exchange mechanisms.

In September 2001, the EACB has issued a position paper, outlining the main positions of the EACB as follows:

- A level playing field in terms of competition has to be ensured between banks of third countries and banks in the Member States;
- the EACB rejects the provision whereby banks should require additional information of their clients for the period between the 1st January and the adoption of the Directive;
- Banks should not have to fulfil an investigative role to check the customer's information.

SOCIAL AND SECTORAL ISSUES

Social affairs and personnel

European Social Dialogue in the banking sector

Over the timeframe of the report, the Social Dialogue, which regroups the three European Credit Sector Associations on the employers' side as well as UNI-Europa Finance on the union side, has focussed on three major initiatives.

The Prosperetti study on IT employability in the banking sector inquired into the measures undertaken by the banks to improve the skills and employability of their staff. The EACB believes that this study is an efficient contribution to the understanding of the correlation between IT, training and employability in European banking.

The Social partners, including the EACB, organised a series of six Round Tables in the Candidate Countries for EU-enlargement, which was financed by the European Commission. The objective of the Roundtables was to involve the social partners in the enlargement countries at an early stage in the European Social Dialogue in the banking sector.



Finally, the EACB examined the European Commission staff working paper on the financial participation of employees in the European Union. The EACB reacted to this Commission staff Working Paper on the financial participation of employees in the EU with a position paper. The EACB considers this text to be an important step in the field of financial participation of employees and signals its consent to the broad outlines mapped out in the above-referenced paper.

Corporate Social Responsibility

One of the policy areas to gain importance at European level will be Corporate Social Responsibility (CSR), in other words voluntary integration by companies of social and environmental concerns into their business operations and in their interaction with their stakeholders. The Association responded to the consultation on the Green Paper on CSR and intends to participate in the debate between the various partners and the roundtables that will be held under the auspices of the European Commission.

The provision of finance

1. Small and medium-sized enterprises

The EACB actively participated in the discussions pertaining to the Third Round table organised by the European Commission. Such a consultative exercise was aimed at identifying the measures to be taken to improve relations between banks and SMEs and to facilitate SME's access to financing. The EACB is also part of the 4th Roundtable launched in 2000 focusing on the relations between the EU and accession candidates in the field of SME financing.

2. Fisheries

The Commission Green Paper on the future of the Common Fisheries Policy

In March 2002, the Directorate General "Fisheries" of the European Commission issued a Green Paper on the future of the Common Fisheries Policy. The European Commission states that the sustainability of a high number of stocks will be threatened if the current levels of exploitation are maintained. This is deemed to be mainly the consequence of too large fleet levels and capacity. The Commission is expected to present its proposal for a reformed Common Fisheries Policy in mid-2002.

Some of the EACB member organisations are directly concerned by the Green Paper, as their business focuses mainly on the financing of fisheries. In its position paper, the EACB objects to the insufficiently justified proposal made by the Commission aiming at a 40% reduction of the current capacity of the fishing fleet. The EACB urged the Commission to find an approach that will protect the interests of the European fishing fleet and that will reconcile socio-economic priorities and the requirements for sustainable resource management.



Also, among other issues, the position paper stressed the need for aid to construction and modernisation of ships is absolutely essential to reduce the risks of self-financing and to allow for a loan level compatible with vessel operation. The EACB wishes that the whole array of financing tools offered by the present regulatory framework be maintained (guarantee funds, equity instruments etc...) and even extended so as to create the conditions for an improvement of fisheries competitiveness.

RELATIONS WITH THE ACCESSION COUNTRIES

Co-operation and development

During the last two years EACB focused its activities in the field of co-operation and development on the enlargement process. It has particularly been attentive to negotiations of the financial services chapter of the "acquis communautaire" and the need for accession countries to adjust their banking legislation.

The requirements relating to the minimum level of own funds are crucial to co-operative banks which operate a highly decentralised banking network, including very small-scale credit institutions, notably in Poland and Hungary. The Association earnestly urged both the European Commission and these countries' national supervisory authorities in the past to grant co-operative banks long transitional periods during which they could gradually revise their own funds levels upwards.

Evaluating the progress on the "acquis communautaire" in 2001, EACB learned that the policies followed by enlargement countries and their respective supervisory bodies varied. In relation to this development, EACB is looking into the possibility of developing, ideally with the support of European financial institutions, a financial support mechanism to ensure the continuity of co-operative activity in Eastern Europe.

CO-OPERATION IN THE CO-OPERATIVE SECTOR

Interaction with the co-operative sector

1. The Coordinating Committee of European Co-operative Associations (CCACE)

The EACB is an active member of the CCACE and actually acts as the Committee's Chair. The Coordinating Committee of European Co-operative Associations (CCACE) has been devoting its energies to two pivotal issues over the past two years. The first is the European Commission's proposal for a White Paper on co-operatives and the second is the Council's negotiations on the European Co-operative Statute (cf. supra).



Work to articulate a Communiqué on co-operatives in Europe has demanded the Commission's attention. The initiative highlights the centrality of and functions discharged by co-operatives through Europe and presents proposals for promoting them. At the end of 2001, it published its first consultation document on which it invited stands that, in turn, led the CCACE to engage in extremely intensive exchanges of views and ideas. The Coordinating Committee drafted a statement of position into which this Association made extensive inputs. In it, the CCACE welcomed the Commission's action and called for concrete measures to be taken without delay. On the one hand, the legal form of the co-operative must be integrated into every Member State's legislative provisions and the formation of small co-operatives needs to be encouraged on the other. Furthermore, better arrangements should be made for allowing co-operatives access to funding. In its own statement of position on the consultation document, the Association suggested adding appendices to the planned Communiqué that would address sectoral issues in greater detail. Emphasis was similarly placed on diversity being the hallmark of co-operative legislation.

This was the context within which the CCACE hosted a conference on "A policy for co-operatives in Europe" in Brussels in February 2002 under the chairmanship of its President. The function provided an opportunity for conferring with some of the Commission's high-ranking officials on the singular role played by co-operatives and the Commission's current policy in their regard. The highlight of this particular conference was the address delivered by Commission President Prodi that clearly demonstrated his understanding of and empathy with co-operatives, and also for co-operative banks, and his assertion that "the Commission would do all in its power to promote the activities and growth of co-operatives throughout Europe".

2. The European co-operative statute

In 1992, the European Commission presented a preliminary proposal for a regulation on a European co-operative statute, the purpose of which is to institute the "European Co-operative Society" as a new form of co-operative enterprise in Europe. The SCE comprises members from different countries and, by virtue thereof, conducts business transnationally. This is the rationale underlying the need to determine the legal form of the European co-operative society so that it will complement the legal form of co-operative societies in national law. Assessed from this perspective, it is not current national legislation on co-operatives that warrants amendment.

Assignments were discharged in parallel with those undertaken on the proposed regulation for a "European Company". More specifically, associations represented in the Coordinating Committee of European Co-operative Associations (CCACE) argued the merits of adopting the proposed regulation without delay and supported the compromise solution submitted at the end of 1997.



Furthermore, the Association lobbied forcefully against the Commission's intention to set certain upper limits on the issue by SCEs of securities other than shares and debentures, the total nominal value of which must not be exceeded in the case of capital thereby constituted and the return on capital invested in this category of security. These limitations do not exist in this form in several of the Member States. It is for this very reason that they can seriously hamper refinancing by banks and credit institutions and render the SCE as a corporate form largely unappealing to them. The Association wrote to the Council presidency and to the Commission expressing its apprehension and similarly reiterated its concerns in the course of consultations with other officials under whose jurisdiction the matter falls.

"CO-OPERATIVE BANKS 2000: UNITED IN THE FACE OF A CHANGING WORLD"

Upon an Executive Committee request, the EACB decided to launch some work on cooperation between European co-operative banks and thus established a Working Group named "Co-operative Banks 2000".

Co-operative banks were born in the 19th Century and have developed ever since in all Western European countries. Their market share, between 20 and 30%, reflects their significant role in national economies in many countries. The very close relation they entertain with their customers coupled with a genuine local-based entrepreneurial spirit, enable co-operative banks to perfectly match their customers' needs and requirements whilst developing a sustainable and viable economic system. Figures need no explanations: 36 million European members, 100 million worldwide.

Changes which have occurred in financial markets on the supply as well as on the demand side represent many challenges to all banks and in particular to banks operating on the basis of co-operative ethics and which are structured as such. Such a concept is not at all obsolete. On the contrary, the co-operative model is still current and modern. Nevertheless, important decisions will have to be taken to maintain and strengthen the co-operative banks' position in the years to come.

The Executive Committee agreed to a certain number of positions designed to foster further cooperation between co-operative banks in order to meet common challenges, a practice that lies at the heart of their success. As far as technical cooperation is concerned the EACB will work together with UNICO and CIPB.



LEADING DOCUMENTS OF THE ASSOCIATION

The documents are listed in the language in which they are available

Banking Supervision

- Statement of position on the European Commission's proposal for a Directive on "the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate" (August 2001)
- Position paper on the 2nd consultative document of the Basel Committee on banking supervision on the new Basel capital accord (June 2001)
- Position paper on the Commission services' second consultative document on review of regulatory capital for credit institutions and investment firms (June 2001)
- Comments on the working paper on risk-sensitive approaches for equity exposures in the banking book for IRB-banks (October 2001)
- Comments on the "Working Paper on the Regulatory Treatment of Operational Risk" (October 2001)
- Comments on the working paper on pillar 3 - market discipline (October 2001)
- Comments on the "working paper on the irb treatment of expected losses and future margin income" (July 2001)

Payment Systems

- Position paper of the European Association of Co-operative Banks on the proposal for a regulation of the European Parliament and of the Council on cross-border payments in euro (March 2002)
- Position paper of the European Association of Co-operative Banks on the Commission's working document "a new legislative framework for the Single Payment Area in the Internal Market" (June 2002)

Consumer Policy

- European agreement on a voluntary Code of Conduct on pre-contractual information for home loans (March 2001)
- Statement of position on the Consultative Paper issued by the European Commission concerning the review of the Consumer Credit Directive (September 2001)
- Joint letter with the European Banking Federation, the European Savings Banks Group and the European Mortgage Federation to the European Commission on the Annual Percentage Rate of Charge (APRC) of mortgage loans (January 2002)
- Letter to the European Parliament on the Directive proposal on distance marketing of financial services (March 2002)



Accounting and Statutory Auditing

- Letter to EFRAG: Endorsement of existing international accounting standards and related interpretations (June 2002)

Financial markets

- Comments on the discussion paper on the revision of the investment services directive – revised orientations of the European Commission of 25.3.2002 (May 2002)
- CESR-consultation: “Possible implementing measures on prospectuses” (June 2002)

Taxation

- Statement of position on the Directive proposal to ensure the effective taxation of savings income in the form of interest payments within the Community (September 2001)

Social Affairs and Personnel/Corporate Social Responsibility

- Statement of position on the European Commission's Green Paper on Corporate Social Responsibility (December 2001)
- Statement of position on the European Commission's Working Paper on the financial participation of employees in the European Union (December 2001)

Fisheries

- Statement of position on the European Commission's Green Paper on the Future of the Common Fisheries Policy (September 2001)

Co-operation in the co-operative sector

- Replies to the consultation document of the high level group of company law experts
- Letter to Council and European Commission: Proposal for a Council regulation on the statute for a European co-operative society – securities other than shares and debentures (March 2002)
- Letter to the Presidency of the Council of the European Union on the Proposal for a Council Regulation on the Statute for a European co-operative society – Securities other than shares and debentures (March 2002)
- Statement of position on the European Commission's draft consultation paper “Co-operatives in Enterprise Europe” (April 2002)





ANNEXES
ANLAGEN

Activity Report
Rapport d'Activité
Tätigkeitsbericht

June
Juin
Juni 2000

June
Juin
Juni 2002



ANNEXES / ANLAGEN

1.	Key statistics of the Association as on 31.12.2001 Chiffres clés du Groupement au 31.12.2001 Schlüsselzahlen der Vereinigung per 31.12.2001	87
2.	Member organisations Organisations membres Mitgliedsorganisationen	90
3.	Members of the Executive Committee Membres du Comité Directeur Mitglieder des Generalrates.	95
4.	Working groups and Presidents Groupes de travail et Présidents Arbeitsgruppen und Präsidenten.	99
5.	Secretariat General Secrétariat Général Generalsekretariat.	101



KEY STATISTICS AS ON 31-12-2001
 CHIFFRES CLES AU 31-12-2001
 SCHLÜSSELZAHLEN PER 31-12-2001

Full Member Organisations	Regional/ Local Banks	Banking Outlets	Members	Clients ⁽¹⁾	Staff	Total Assets	Deposits	Loans	Market share	Market share
Organisations membres titulaires	Banques régionales/locales	Guichets bancaires	Sociétaires	Clients	Effectif	Bilan consolidé	Dépôts	Crédits	Part de Marché	Part de Marché
Vollmitgliedsorganisationen	Regional/ Ortsbanken	Bankstellen	Mitglieder	Kunden	Mitarbeiter	Konsolidierte Bilanzsumme (Euro 000,000)	Einlagen (Euro 000,000)	Kredite (Euro 000,000)	Marktanteil Deposits/dépôts/ Einlagen (%)	Marktanteil Credits/Crédits/ Kredite (%)
BELGIË/BELGIQUE/ BELGIEN - Belgium										
Crédit Professionnel	0	0	n/a	21046	78	2.239	511	1.551	n/a	n/a
DANMARK - Denmark/ Danmark/Dänemark										
Sammenslutningen Danske Andelskasser	37	80	55.000	110.000	480	1.070	850	660	1	1
DEUTSCHLAND- Germany/Allemagne										
BVR	1.621	16.707	15.154.624	30.000.000	169.900	552.904	392.477	336.961	16,4	11,1
ÉIRE - Ireland/ Irlande/Irland										
ACCBANK	1	47	n/a	150.000	624	3.314	2.165	2.319	2	1,5
Irish League of Credit Unions	n/a	534	2.068.631	2.068.631	1.700	4.301	3.657	2.709	6,5	6,9
ESPAÑA - Spain/ Espagne/Spanien										
Unión Nacional de Cooperativas de Crédito	88	4.161	1.420.460	8.169.083	15.565	45.181	37.575	30.302	5	4,8
FRANCE - France/ Frankreich										
Crédit Agricole	48	7.467	5.500.000	16.000.000	104.300	563.300	266.700	269.100	21	16
Crédit Mutuel	18	3.150	5.700.000	9.900.000	30.450	171.861	74.699	76.091	7,4	8,5
Banques Populaires	29	2.203	2.000.000	5.400.000	34.800	193.600	86.500	101.500	5,6	7,4
Crédit Coopératif	35	250	140.000	320.000	2.676	9.200	4.160	5.710	0,5	0,5
HELLAS - Greece/ Grece/Griechenland										
Association of Cooperative Banks of Greece ^(a)	15	59	101.370	101.370	487	735	491	530	0,4	0,7

(a): 2000 figures

(1): Estimate / Estimation / Schätzung — n/a: Not applicable / non applicable / nicht möglich



KEY STATISTICS AS ON 31-12-2001
CHIFFRES CLES AU 31-12-2001
SCHLÜSSELZAHLEN PER 31-12-2001

Full Member Organisations Organisations membres titulaires Vollmitgliedsorganisationen	Regional/ Local Banks Banques régionales/locales Regional/ Ortsbanken	Banking Outlets Guichets bancaires Bankstellen	Members Sociétaires Mitglieder	Clients ⁽¹⁾ Clients Kunden	Staff Effectif Mitarbeiter	Total Assets Bilan consolidé Konsolidierte Bilanzsumme (Euro 000,000)	Deposits Dépôts Einlagen (Euro 000,000)	Loans Crédits Kredite (Euro 000,000)	Market share Part de Marché Marktanteil Deposits/dépôts/ Einlagen (%)	Market share Part de Marché Marktanteil Credits/Crédits/ Kredite (%)
ITALIA/Italy/ Italie - Italien										
Assoc. Nazionale fra le Branche Popolari (a)	85	6.730	1.150.000	7.700.000	59.800	337.000	209.100	179.700	23,3	21,2
FEDERCASSE (b)	474	3.061	616.067	1.239.381	23.434	85.864	67.144	48.583	7,2	4,8
LUXEMBOURG - Luxemburg										
Caisse Centrale Raiffeisen	35	71	4.988	112.318	408	2.795	2.518	1.320	6	6
NEDERLAND/Netherlands/ Pays-Bas/Niederlande										
Rabobank Nederland	369	2.017	825.000	9.000.000	52.173	363.619	172.174	208.614	30	30
ÖSTERREICH - Austria/Autriche										
Österreichische Raiffeisenbanken	611	1.690	1.696.300	3.600.000	28.919	110.177	64.577	68.564	24,8	21,5
Österreichischer Genossenschaftsverband	70	594	650.000	700.000	5.044	29.359	16.413	14.658	5,8	5,3
PORTUGAL										
FENACAM	132	592	300.000	1.600.000	3.670	7.501	6.477	5.020	5	3
SUOMI-FINLAND-Finland/ Finlande/Finnland										
OKOBANK	245	693	984.000	2.967.000	8.802	30.031	18.774	21.946	32	32,4
SVERIGE - Sweden/ Suède/Schweden										
Landshypotek (c)	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	n/a	136	n/a	2.240.000	4.057	12.678	9.908	6.268	2	2

TOTAL (EU 15)	3.923	50.252	38.435.656	101.468.045	547.474	2.531.216	1.436.870	1.385.708		17⁽¹⁾
----------------------	--------------	---------------	-------------------	--------------------	----------------	------------------	------------------	------------------	--	-------------------------

(a) only regular clients considered

(b) only borrower clients considered

(c) 2000 figures

(1) : Estimate / Estimation / Schätzung

n/a : Not applicable / non applicable / nicht möglich



KEY STATISTICS AS ON 31-12-2001

CHIFFRES CLES AU 31-12-2001

SCHLÜSSELZAHLEN PER 31-12-2001

Associate Member Organisations Organisations membres associés Assoziierte Mitgliedsorganisationen	Regional/ Local Banks Banques régionales/locales Regional/ Ortsbanken	Banking Outlets Guichets bancaires Bankstellen	Members Sociétaires Mitglieder	Clients Clients Kunden	Staff Effectif Mitarbeiter	Total Assets Bilan consolidé Konsolidierte Bilanzsumme (Euro 000,000)	Deposits Dépôts Einlagen (Euro 000,000)	Loans Crédits Kredite (Euro 000,000)	Market share Part de Marché Marktanteil Deposits/dépôts/ Einlagen (%)	Market share Part de Marché Marktanteil Credits/Crédits/ Kredite (%)
CYPRUS - Chypre/Zypern										
Co-operative Central Bank	363	464	505.922	600.000	1.885	5.523	5.243	4.115	26,5	31
MAGYARORSZÁG - Hungary/Hongrie/Ungarn										
National Federation of Savings Co-operatives (b)	169	1.704	1.000.000	3.000.000	7.251	2.750	1.900	900	15	20
POLSKA - Poland/Pologne/Polen										
Krajowy Związek Banków Spółdzielczych	642	2.231	2.600.000	10.000.000	26.403	6.107	4.568	3.045	5,8	5,8

Correspondent Member Organisations Organisations membres correspondants Korespondierende Mitgliedsorganisation

BĂLGARIJA - Bulgaria/ Bulgarie/Bulgarien										
Central Co-operative Bank	33	121	5.743	95.952	956	107	87	51	1,7	1,5
ÉIRE - Ireland/ Irlande/Irland (a)										
Bórd Iascaigh Mhara / Irish Sea Fisheries Board	n/a	n/a	n/a	n/a	120	16	6	4	n/a	n/a

(a) 2000 figures

(b) including / inclus / inklusiv Takarékbank

(1) : Estimate / Estimation / Schätzung

n/a : Not applicable / non applicable / nicht möglich



2. MEMBER ORGANISATIONS ORGANISATIONS MEMBRES MITGLIEDSORGANISATIONEN

Full Members / Organisations membres titulaires / Vollmitglieder

AUSTRIA / AUTRICHE / ÖSTERREICH

**Österreichischer Raiffeisenverband
Fachverband der Raiffeisenbanken**

Am Stadtpark 9
A - 1030 WIEN
Tél.: (43 1) 717 07 12 41
Téléfax: (43 1) 717 07 24 96
<http://www.rzb.at>

Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

Löwelstrasse 14-16
A - 1013 WIEN
Tél.: (43 1) 313 28 0
Téléfax: (43 1) 313 28 58
<http://www.oegv.volksbank.at>

BELGIUM / BELGIQUE / BELGIEN

Crédit Professionnel S.A.

Avenue des Arts, 8
B - 1210 BRUXELLES
Tel.: (32 2) 289 89 89
Téléfax.: (32 2) 289 89 90
<http://www.bkcp.be>

DENMARK / DANEMARK / DÄNEMARK

Foreningen Danske Andeskasser

Baneskellet 1, Hammershøj,
DK – 8834 Tjele
Tel.: (45 87) 99 30 00
Téléfax: (45 86) 45 00 14
<http://www.sda.dk>

FINLAND / FINLANDE / FINNLAND

OKOBANK Group Central Cooperative

Teollisuuskatu 1 - P.O. BOX 308
FIN - 00101 HELSINKI
Tél.: (358 9) 40 41
Téléfax: (358 9) 404 21 22
<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/ca/organisation/fnca>

Caisse Nationale de Crédit Agricole

91-93, Boulevard Pasteur
F - 75015 PARIS
Tél.: (33 1) 43 23 52 02
Téléfax: (33 1) 43 23 34 48
<http://www.credit-agricole.fr>

Banque Fédérale des Banques Populaires

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>

Groupe Crédit Coopératif

Parc de la Défense
33, rue des Trois-Fontanot B.P. 211
F - 92002 NANTERRE Cedex
Tél.: (33 1) 47 24 85 00
Téléfax: (33 1) 47 24 86 42
<http://www.groupe.credit-cooperatif.coop>
<http://www.credit-cooperatif.coop>

GERMANY / ALLEMAGNE / DEUTSCHLAND

Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR

Schellingstrasse 4
D -10 785 BERLIN
Tél.: (49 30) 20 210
Téléfax: (49 228) 20 21 1900
<http://www.bvr.de>



DZ BANK AG

Am Platz der Republik
D - 60265 FRANKFURT AM MAIN 1
Tél.: (49 69) 74 47 01
Téléfax: (49 69) 74 47 1616
<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

IRELAND / IRLANDE / IRLAND

ACCBANK

Charlemont Place
IRL - DUBLIN 2
Tél.: (353 1) 418 40 00
Téléfax: (353 1) 418 44 44
<http://www.accbank.ie>

Irish League of Credit Unions

33-41 Lower Mount Street
IRL - DUBLIN 2
Tél.: (353 1) 614 67 00
Téléfax: (353 1) 614 67 01
<http://www.creditunion.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

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

Via Massimo d'Azeglio, 33
I - 00184 ROMA
Tél.: (39 06) 48 295 455 - 48 295 472
Téléfax: (39 06) 48 90 30 80
<http://www.creditocooperativo.it>

LUXEMBURG / LUXEMBOURG

Caisse Centrale Raiffeisen

Boulevard Royal 28
L - 2449 LUXEMBOURG
Tél.: (352) 46 21 51
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>

PORTUGAL

**FENACAM - Federação Nacional das Caixas de
Crédito Agrícola Mutuo, 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

Caixa Central - Caixa Central de Crédito Agrícola Mutuo, C.R.L.R
Rua Pascoal de Melo 49
P 1000 232 LISBOA
Tél.: (351 21) 313 69 00
Téléfax: (351 21) 313 69 91
<http://www.creditagricola.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
Strandvägen 1, 1st floor
S – 0441 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 – P.O. Box 101
GB - MANCHESTER M60 4EP
Tél.: (44 161) 832 34 56
Téléfax: (44 161) 839 42 20
<http://www.co-operativebank.co.uk>



Associate Members / Organisations membres associés / Assoziierte Mitglieder

CYPRUS / CHYPRE / ZYPERN

Co-operative Central Bank Ltd

Gregoriou Afxentiou Street
CYPRUS - 1389 NICOSIA
Tél.: (357 2) 67 29 21
Téléfax: (357 2) 67 02 61
<http://www.coopbank.com.cy>

HUNGARY / HONGRIE / UNGARN

National Federation of Savings Co-operatives

Varosmajor u.74. Pf. 163
H – 1525 BUDAPEST
Tél.: (36 1) 488 59 00
Téléfax: (36 1) 488 59 05

POLAND / POLOGNE / POLEN

rajow Zwiasek Bankow Spoldzielczych - KZBS

Ul. Swietokrzyska 20
PL - 00-049 WARSZAWA
Tél.: (48 22) 826 32 11
Téléfax: (48 22) 826 32 14
<http://www.kzbs.pl>

Correspondent Members / Organisations membres correspondants / Korrespondierende Mitglieder

BULGARIA / BULGARIE / BULGARIEN

Central Cooperative Bank PLC

103, G.S. Rakovsky Street
BG - 1000 SOFIA
Tél.: (359 2) 987 40 07
Téléfax: (359 2) 980 36 87

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>



3. MEMBERS OF THE EXECUTIVE COMMITTEE MEMBRES DU COMITÉ DIRECTEUR MITGLIEDER DES GENERALRATES

President / Président / Präsident

E. PFLIMLIN (from/à partir de/seit 02/07/2002)
Confédération Nationale du Crédit Mutuel

W. MEIJER (until/jusqu'à/bis 01/07/2002)
Rabobank Nederland

Vice-Presidents / Vice-Présidents / Vizepräsidenten

Ch. PLEISTER
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR

E. PFLIMLIN (until/jusqu'à/bis 01/07/2002)
Confédération Nationale du Crédit Mutuel

Members / Membres / Mitglieder

AUSTRIA / AUTRICHE / ÖSTERREICH

W. ROTHENSTEINER
Raiffeisen Zentralbank Österreich AG

A. PANGL
Fachverband der Raiffeisenbanken

H. HOFINGER
Österreichischer Genossenschaftsverband (Schulze-Delitzsch)

BELGIUM/ BELGIQUE / BELGIEN

W. ROGIERS
Crédit Professionnel SA

BULGARIA / BULGARIE / BULGARIEN

G. KONSTANTINOV
Central Cooperative Bank PLC



CYPRUS / CHYPRE / ZYPERN

D. P. PITSILLIDES
Co-operative Central Bank

DENMARK / DANEMARK / DÄNEMARK

V. RAUN
Foreningen Danske Andelskasser

FINLAND / FINLANDE / FINNLAND

H. VITIE
OKOBANK Group

FRANCE / FRANKREICH

R. CARRON
Fédération Nationale du Crédit Agricole

P. BASTIDE
Fédération Nationale du Crédit Agricole

J.-F. de LEUSSE (from/à partir de/seit 01/09/2001)
Fédération Nationale du Crédit Agricole

J.-Y. HOCHER (until/jusqu'à/bis 30/08/2001)
Fédération Nationale du Crédit Agricole

Ph. DUPONT
Banque Fédérale des Banques Populaires

F. CREDOT
Banque Fédérale des Banques Populaires

J.-C. DETILLEUX
Groupe Crédit Coopératif

Ph. VASSEUR
Confédération Nationale du Crédit Mutuel

GERMANY / ALLEMAGNE / DEUTSCHLAND

U. BRIXNER
DZ BANK AG

F. EICHWALD (until/jusqu'à/bis 31/05/2002)
DZ BANK AG

M. FRAEDRICH (from/à partir de/seit 01/06/2002)
WGZ-Bank

J. LEHNHOFF
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR

C.P. MOSSLER (until/jusqu'à/bis 30/06/2002)
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR

B. RODEWALD (until/jusqu'à/bis 31/07/2002)
Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR



GREECE / GRÈCE / GRIECHENLAND

N. MIRTAKIS
Association of Co-operative Banks of Greece

HUNGARY / HONGRIE / UNGARN

A. SZÖKE
National Fédération of Savings Co-operatives

IRELAND / IRLANDE / IRLAND

D. DARLING
ACC BANK

J. Mc MAHON
Irish League of Credit Unions

M. KEATINGE
Irish Sea Fisheries Board

ITALY / ITALIE / ITALIEN

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

G. CARDUCCI
Associazione Nazionale fra le Banche Popolari

E. FARALLI
Associazione Nazionale fra le Banche Popolari

LUXEMBURG / LUXEMBOURG

A. SINNES
Caisse Centrale Raiffeisen

NETHERLANDS / PAYS-BAS / NIEDERLANDE

T.H.M. SCHIJF (until/jusqu'à/bis 31/08/2002)
Rabobank Nederland

A. KUIJPERS (from/à partir de/seit 01/09/2002)
Rabobank Nederland

W. BOONSTRA
Rabobank Nederland

POLAND / POLOGNE / POLEN

E. LASZKIEWICZ
Krajowy Związek Banków Spółdzielczych



PORTUGAL

J.V. CARVALHO CARDOSO (until/jusqu'à/bis 31/12/2001)
FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mutuo PORTUGAL

P. R. DE MACEDO (from/à partir de/seit 01/01/2002)
FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mutuo

D. da SILVA DIOGO (until/jusqu'à/bis 21/07/2002)
Caixa Central de Crédito Agrícola Mutuo

J. NUNES (from/à partir de/seit 22/07/2002)
Caixa Central de Crédito Agrícola Mutuo

SPAIN / ESPAGNE / SPANIEN

A. L. MARTIN SERRANO
Union Nacional de Cooperativas de Crédito

SWEDEN / SUÈDE / SCHWEDEN

U. FREDRIKSON (until/jusqu'à/bis 30/06/2001)
Landshypotek

K. STILLMAN (from/à partir de/seit 01/07/2001)
Landshypotek AB

UNITED KINGDOM/ ROYAUME- UNI/ VEREINIGTES KÖNIGREICH

S. WILLIAMS
The Co-operative Bank



4. WORKING GROUPS AND THEIR PRESIDENTS GROUPES DE TRAVAIL ET LEURS PRÉSIDENTS ARBEITSGRUPPEN UND DEREN PRÄSIDENTEN

(01/07/2002)

Coordination of banking law Coordination des législations bancaires Koordiniierung Bankenrecht

J. LEHNHOFF, Bundesverband der Deutschen Volksbanken und Raiffeisenbanken – BVR

Payment systems Systèmes de paiement Zahlungssysteme

J. VERHAEGEN Rabobank Nederland

Consumer Policy Politique des Consommateurs Verbraucherpolitik

M.-Ch. CAFFET, Confédération Nationale du Crédit Mutuel

Taxation Fiscalité Steuerfragen

F. CALEFFI, Federazione Italiana delle Banche del Credito Cooperativo-Casse Rurali ed Artigiane

Social Affairs and Personnel Affaires sociales Personal -und Sozialfragen

J. P. JACOB, Banque Fédérale des Banques Populaires

Financing of SMEs Financement des PME Finanzierung der KMU

F. BATTINI, Banca Popolari dell'Emilia Romagna

Financing of agriculture and rural development Financement de l'agriculture et développement rural Finanzierung der Landwirtschaft und Entwicklung des ländlichen Raums

J.V. CARVALHO CARDOSO, FENACAM – Federação Nacional das Caixas de Crédito Agrícola
Mutuo
(until/jusqu'à/bis 31/12/2001)



Financing of Fisheries
Financement de la pêche
Finanzierung der Fischerei

J.-C. DETILLEUX, Caisse Centrale de Crédit Coopératif

Cooperation and development
Coopération et développement
Kooperation und Entwicklung

C. PARPAIS, Caisse Centrale de Crédit Coopératif

Electronic Commerce
Commerce électronique
Elektronischer Geschäftsverkehr

J.-Y. HOCHER (until/jusqu'à/bis 30/08/2001)

Financial Markets
Marchés financiers
Finanzmärkte

R. BORNS, Österreichischer Genossenschaftsverband

Task force “Cooperative Banks 2000”
Groupe de réflexion “Banques Coopératives 2000”
Arbeitskreis “Genossenschaftsbanken 2000”

A. KUIJPERS, Rabobank Nederland



5. SECRETARIAT GENERAL SECRETARIAT GÉNÉRAL GENERALSEKRETARIAT

Rue de l' Industrie, 32
B - 1040 Bruxelles
Tél.: (32 2) 230 11 24
Téléfax: (32 2) 230 06 49
e-mail: secretariat@eurocoopbanks.org
<http://www.eurocoopbanks.coop>

H. GUIDER (from/ à partir de/ seit 01/07/2001)
Secretary General, Secrétaire Général, Generalsekretär

J.-G. von SÜSSKIND (until/ jusqu'à/ bis 30/06/2001)
Secretary General, Secrétaire Général, Generalsekretär

V. HEEGEMANN
Legal Adviser, Conseiller juridique, juristischer Berater

Ms. van BERKEL (from/ à partir de/ seit 04/2001)
Economic Adviser, Conseiller économique, wirtschaftlicher Berater

M. RETSCHITZEGGER (from/ à partir de/ seit 05/2002)
Junior Adviser

M. ROY (from/ à partir de/ seit 05/2001)
Economic Adviser, Conseiller économique, wirtschaftlicher Berater



ACTIVITY REPORT - ENGLISH VERSION

3

RAPPORT D'ACTIVITÉ - VERSION FRANÇAISE

29

TÄTIGKEITSBERICHT - DEUTSCHE FASSUNG

57

ANNEXES / ANLAGEN

85

Reproduction permitted provided that the source is acknowledged.

Reproduction autorisée moyennant mention de la source.

Nachdruck nur unter Angabe des Quellenhinweises zulässig.