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***PRESS RELEASE***

Co-operatively-constituted banks, whose interests are predominantly geared to playing a developmental role and providing a service range, intend using their unique business model to respond to the national and European economic and social objectives laid down in the Lisbon Agenda.

The European Association of Co-operative Banks called a press conference at which it highlighted the findings quarried from an exploratory inquiry conducted into co-operative banking entitled « Values and practices to promote development ».

The inquiry in question profiles their role and operational model, the quintessential features of which can be synopsised as follows:

- In a co-operative bank, shareholders (or shareholder-members) and customers are the same group of people who elect their management teams in accordance with the principle of “one person, one vote”. This is economic democracy in action, the dominant end-purpose of which is to give customers value by offering them tailored-made products and services cost-effectively and ‘close to home’;
- Co-operative banks’ decentralised structure reinforces that closeness: their firm foothold in local communities through their 60,000 agency points gives them a sound knowledge of people’s needs, enables them make accurate decisions at the grassroots and control risks and this, in turn, rebounds to foster regional development and social cohesion;
- Co-operative banks have consistently pioneered sustainable development and corporate social responsibility. Not a day passes that they do not join in the battle to combat unemployment and eradicate social exclusion;
- Their innovative capacity in shareholder-members’ interest knows no bounds: it was they that ushered in the concept of “bancassurance” and that are leading the way in what can be classed as ‘state-of-the art’ technologies, particularly in the payment systems industry;



- Rating agencies recognise that co-operative banks are financially sound and resourcefully administered. Not only is this the passport that helps them stabilise Europe's financial system and make it more competitive, it is also a prescription that allows them make a meaningful input into its modernisation dynamic and into work to restructure its multiple facets.

It must also be remembered that co-operative banks are bound by the same rules – legal, fiscal and prudential – as their competitors.

President Pflimlin used the conference to assert that *« 4,500 co-operative banks, with a combined customer base of 130 million and 700,000 staff members, rank among the major players in Europe's banking and financial system. To the extent that they prioritise services rendered to economic operators, they make a potent contribution to Europe's development, competitiveness and employment policies. They have energised an original, innovative and highly successful corporate model into being and, in so doing, are giving unconditional support to such national and European policies as were established in Lisbon economically, socially and politically.*

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