

The Cooperative



Spar- und Bauverein eG
Dortmund seit 1893

Year of Foundation	1893
Housing Units	11.700
Members	20.000
Staff	120
Trainees	10
Volume of Savings	93



Combination of a Housing Cooperative with a Saving Institution for the Members



Requirements and special Features

Housing Cooperatives with a Saving Institution – Credit institutes
in the sense of § 1 KWG (*although no credits are granted*)



Basic Idea



„First Saving, then Building“ (*Basic cooperative idea: Help for Self - Help*)
Business Model since 1885 (*...„there was no housing subsidy“*)

Basic Idea



Apart from using the housing unit, members and their family (i.S. §15 AO) have the possibility to invest their savings in a saving institution, which belongs to the housing cooperative (*Sparbau: Cooperative Share = 1.278 €*)

Number and Stock of Deposits in Germany

- **47** Housing Cooperatives with a Saving Institution of their own in 2009
- Pooling of Interests and Information via GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. Berlin in a Federal Working Group
- Saving Deposits and long-term saving contracts in the end of the year: $1.597.877.491,57 \text{ €} + 85.639.495,82 \text{ €} = \mathbf{1.683.516.987,39 \text{ €}}$
- The average amount of savings per member: $\mathbf{5.031,96 \text{ €}}$ (Vj. 4.918,34 €)

Basic Idea – The Saving Institution as a Financial Instrument

Change of the Financial Structure regarding the Investment of the Cooperative

- Saving Deposits as relevant Financial Resources in order to add / to reemplace Capital from the Capital Market for New Construction, Modernization and Maintenance (Independence from the banks)



Basic Idea – „member value“

Added Value for Members:

- Visible expression of the basic cooperative idea of help for self help
- Loans of Members and their Family for „their“ cooperative for the improvement of housing quality
 - Better Quality of Living through Investment
 - More favourable rent through the difference between interest for savings and the official market interest rate for credits
- Profitable interest rate on savings (generally interest rate in advance)

Basic Idea –

The Saving Institution to keep Members as Clients

- Set of criteria for a better Profile
(high degree of professional management)
- Increase of the Degree of Popularity through the Enlargement of the Circle of Clients
- Permanent Contact to Members through them as Saving Clients
- With a good leadership of the Cooperative an additional Degree of Confidence can be achieved
(Professionality, Service - orientation)

How it works



Savers

Saving Deposits /
long-term Saving
Contracts

Use of Saving Volume in the Cooperative

Money Investment (Forward- , Fixed Period,..)
Investment in Maintenance

Expenditure of the Cooperative

Saving Interest

Costs for Personell

Other Administration Costs

Income for Cooperative

Profit for Interest through Investment

Opportunity (*Profits from Credit Substitutes*)

Reference of Interest Rate is the average of housing loans with 10 years fixed interest rate

Difference = Rentability of the Saving Institution

* Standardized Calculation Model (GdW) = Savings are regarded as credit substitutes and do not serve as liability for liquidity

Requirements and special Features



- Permission for the Business of a Saving Institution through Banking Finance Law BaFin (§ 32 ff. KWG)
- Qualifikation of Executive Director / Board of Directors: All (*in former times a majority*) Members of the Board have to prove through certificates (according to § 33 Abs. 1 Nr. 3, Abs. 2 KWG)
 -their knowledge of banking theory
 -their knowledge of banking practice
 - ...experience of leadership in management (checked by BaFin)

Requirements and special Features



- Catalogue of obligatory notice to BaFin (Information about big credits, yearly balance, specific saving criteria for data...)
- Monthly Liquidity Notice to BaFin (Specific Minimum Data of Liquidity structured by duration of contract)
- Permanent Supervision according to KWG, e.g. yearly supervision talks
- Adequate own Capital of the Cooperative for Liabilities

The image features two stacks of Euro coins on a blue background. The stack on the right is taller and more prominent, showing the top of a coin with the Euro symbol and the word 'EURO'. The stack on the left is shorter and partially obscured. The lighting is dramatic, highlighting the metallic texture of the coins.

Thank you very much for your interest and attention! !