



**Minutes:** 15<sup>th</sup> General Members' Meeting  
**To:** Members  
**Date of meeting:** 28<sup>th</sup> May 2004  
**Location:** Hilton Athens Hotel  
**Participants:** see Annex 01

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Professor Manfred Pohl, acting Chairman, opened the meeting and welcomed the members to the fifteenth General Members' Meeting stating that, in accordance with the Articles of Association, a quorum had been constituted.

He introduced Dr. Willem F. Duisenberg to the members, who would be standing for election as the next Chairman of the EABH's Board of Management. He continued by thanking him very much for accepting to lead the Association into its next, and much anticipated, phase and for attending the General Members' Meeting.

He informed the audience that Professor Philip L. Cottrell - Professor of Economic History at the University of Leicester and Chairman of the AAC - would answer any questions about the academic programme and Mr. Javier Santillán, the Treasurer, would guide the members through the financial figures. He informed the participants that both internal auditors, Dr. Luis de Abreu Nunes and Mrs. Gabriele Teichmann, were present and would provide their report. He reminded the participants that he would be delighted to personally answer any general questions regarding the Association.

The acting Chairman thanked Alpha Bank for its hospitality and generosity on the occasion of the conference.

He welcomed the newest members of the EABH who were present:

- Dr. Carlos Alberto Damas
- Professor Margarita Dritsas
- Mrs. Yolanda Hatzi
- Dr. Raphael Markellos

Before proceeding, he reminded the members that each member bank had one vote only, and, in case that more than one representative of the same bank was attending, only one person had the right to vote, as indicated in the participant list.

### **1. Financial Report**

The acting Chairman thanked Mr. Santillán and Ms. Gabriella Massaglia, General secretary, for providing the EABH members with the financial report, and asked Mr. Santillán to put forward his comments.

Mr. Santillán offered a brief summary of the contents of the written financial report and accompanying tables submitted to the General Assembly.

He explained that the EABH must submit an accounting report to the German authorities every year. That report is not distributed to the members of the General Assembly but both the original version and its English translation are available upon request, the Treasurer explained. He provided the assembly with the following report:

He pointed out that the EABH had a surplus again, and while the overall size of the balance sheet of the EABH increased slightly in 2003 (by 3.7%) the reserves decreased somewhat due to the loss of EUR 11,840 recorded in 2002.



On the assets side, the main change compared to the previous year was an increase in current assets, specifically in liquid assets which increased from EUR 363,462 to EUR 382,859 or 5%. The sign of the profit and loss account was changed from the above mentioned loss to a surplus of EUR 29,329 in 2003.

A guideline was adopted in 1998 according to which the ratio of liquid assets to be held by the Association to the annual contributions of the members should remain close to 1.5. Such ratio has been growing somewhat since 2000: by the end of 2002 it was 1.7 and in 2003 it reached 1.9.

The profit made by the Association in 2003 is explained by a substantial decrease in the expenditure, since the revenue itself showed also a slight decrease. The latter was due to a fall in the contributions made by the members (-1%), a reduction of 19% in the interest of the securities held by the Association, due to the overall interest rate fall (despite which they were above the forecasted amount), and small falls in the items Publication sales and Special contributions.

On the expenditure side, the substantial fall (from EUR 239,260 to EUR 192,629 or around 25%) was mainly due to cuts in four items: Personnel, Material, Congresses and Meeting Facilities, Travel. The reduction in personnel costs must be seen as a temporary one, due to the leave of the former Secretary General and her interim replacement by another staff member who undertook the functions but not the salary of the Secretary General. Such a situation has since been regularized so that in 2004 the salary cost will return to the "normal" situation, resulting in an increase compared to 2003.

According to the budget prepared last year, a net loss of EUR 48,092 was foreseen while actually a surplus of 29,329 was recorded. The substantial difference stems both from higher than expected revenue and from lower than expected expenditure. Almost the whole difference regarding income is explained by the increase in the contributions by members (EUR 12,045 above the forecasted amount). Special contributions were slightly above the foreseen figure (approximately EUR 11.500 versus EUR 10.000 foreseen).

Regarding expenditure, the difference between forecasts and actual outcome has two components: 1) General expenses EUR 16,183 below the forecast 2) Scientific projects EUR 47,609 below the forecast.

This significant difference must be attributed both to planned activities which eventually were not undertaken and to a substantial reduction of costs in many activities. The following are the main items which recorded lower than expected expenditure: Winning of New Members, EABH Newsletter, Bureau Meetings, Central Bank Workshop, Main Conference Athens, Main Conference Bratislava, Main Conference Vienna 2005.

It is expected that in 2004 total revenue will remain in line with that obtained in 2003 while total expenditure is foreseen to be in line with that initially expected for 2003 (which, as has been explained was actually considerably lower). The proposed expenditure of EUR 260,961 (1.5% more than that proposed last year) implies an increase in general expenses of 9% compared to the proposal for 2003 and a 25% increase compared to the actual amount. Most of that difference is due to the effect of the reduction in Personnel costs which took place in 2003 due to extraordinary reasons, and this item must be expected to return to its normal level in 2004. An item which shows an increase is rent/overheads. This is due to increased costs in the new premises of the Association which however are to be fully compensated by the Deutsche Bank



through a special contribution. Another item showing an increase is Material (EUR 7,246), which reflects the acquisition of new PCs.

Regarding scientific projects, a total of EUR 116,376 expenditure is foreseen, a figure which is somewhat below that expected for last year (EUR 124,250) although well above that actually spent (EUR 76,641). The main increase in the budget is that corresponding to the Financial History Review, which is mainly due to the Editorial Board Meeting to be held this year (which takes place every 4 years).

These figures would imply an overall deficit of EUR 39,927 for year 2004, around 20% less than the deficit of EUR 48,092 proposed last year (while, as was already mentioned, a surplus of EUR 29,329 was actually recorded).

The acting Chairman thanked the Treasurer and asked Mrs. Teichmann to present the Auditors' report.

## **2. Report of the Auditor**

Mrs. Teichmann explained that the Auditors had the opportunity to see and comment on the draft accounts in late April. The Auditors were satisfied both with the explanations of any significant movements in the accounts provided by the EABH secretariat and with the format and presentation of the draft accounts. Despite the very full range of activities during the year, the auditors pointed out that the expected deficit turned into a surplus. The Auditors thanked the EABH office staff for their preparation of this year's accounts.

The members did not raise any further questions.

The acting Chairman thanked Mrs. Teichmann.

## **3. Approval of the Balance 2003**

The accounts for 2003 were unanimously approved by the members.

## **4. Release of the Board of Management from responsibility**

The Board of Management was released from responsibility.

## **5. Approval of the Budget 2004**

The General Assembly approved by unanimity the figures for 2004.

## **6. Annual Report of the Board of Management**

Professor Pohl asked Professor Cottrell to present his report to the members.

The Chairman of the AAC thanked the members on behalf of the entire Council for their continuous support and summarised the 2003 academic activities of the EABH.

Firstly, he thanked, on behalf of the entire Academic Advisory Council, Sir Evelyn de Rothschild for his past support over the years. Finally, he expressed his sorrow at the sad loss of Mr. Karatzas, and remembered the very active co-operation between the NBG and EABH in the recent years.

With regards to the future activities, he thanked Alpha Bank for hosting the 2004 main conference *The Human Factor in Banking: Entrepreneurs, Managers, Organisation and Personnel* on the occasion of its 125<sup>th</sup> anniversary.

Professor Cottrell also announced the main conference in Vienna in 2005 *Finance and Modernisation* kindly hosted by Bank Austria Creditanstalt on the occasion of the 150<sup>th</sup>



Anniversary of Creditanstalt. He explained that the first half of the academic programme of the conference concentrates on the Austrian experience and that the second part of the programme would be announced soon, being the result of a call for papers.

Regarding the EABH activities in order to support young scholars, he mentioned the EABH's support of the Venice Summer School, and a future change in the Prize for Young Scholars, which will turn into a prize for the best article submitted to the FHR.

He reminded the participants about the *Archives and Corporate Culture* workshop, which was an innovation and a success, particularly considering the very short timeframe in which it was organised and the high number of participants. He expressed the wish that in the future the EABH always organises such a workshop in connection with the EABH main conference.

He also mentioned the continuation of the Central Banks' Workshop and the ANAI Workshop.

He mentioned the publications of the EABH, especially the *Financial History Review*. Professor Cottrell informed the audience that he stepped down in July 2003 and that Dr. Duncan Ross took over from him as one of the editors. He also introduced to the members the American associate editor, Professor David Weiman, who will increase the number of articles from America and further establish the credibility of the Journal in the USA. The editorial Board had also undergone substantial changes, Professor Cottrell pointed out.

#### **7. Name Change and Statute Changes in articles 1, 4, 5, 9, 13 and 14 as indicated in the "Annex to Agenda GMM 2004"**

Professor Pohl referred to the Annex included in the General Members' Meeting's documentation in which the Statute changes were indicated (see Annex 02). He asked the members whether there were any questions or clarifications related to the changes. He then asked the members whether they would prefer to vote on the complete changes in one single vote or whether they would prefer to vote on each change in turn. The members agreed on the former suggestion and voted unanimously to accept all the changes in the EABH Statute.

#### **8. Boards Elections**

- **Re-elections:**

##### Board of Management:

Professor Pohl informed the members that Sir Evelyn de Rothschild was stepping down as Chairman and that Mr. Daniel Lebègue would not stand for re-election as a member of the Board of Management. He thanked Sir Evelyn de Rothschild for his support over the past 14 years.

Mr. Santillán was unanimously re-elected for two years. Mr. Santillán accepted the election for a further term of two years.

##### Board of Patrons:

The acting Chairman informed the members that Mr. Jean Peyrelevade and Mr. Maurice Lippens resigned from their positions as members of the Board of Patrons and he proceeded with the re-election of the following members of the Board of Patrons: Mr. Aclan Acar, Mr. Daniel Bouton.



- **New elections:**

Board of Management:

Dr. Duisenberg was unanimously elected as Chairman of the Board of Management.

Dr. Duisenberg accepted the elections and said that he was proud to have been chosen. He also said that he fully supported that change of name of the Association, which will still be known as EABH.

Board of Patrons:

The acting Chairman informed the members that Mr. Herman Verwilst, (Fortis Bank) was standing for election as Mr. Lippens' successor.

Mr. Verwilst was unanimously elected onto the Board of Patrons for a term of five years.

**9. Questions and Answers**

The acting Chairman asked the participants whether there were any further comments. Mr. Edwin Green informed the audience that the proceedings of the Ljubljana conference had just been published and Ms. Massaglia did the same for the Archive Year publication.

The acting Chairman thanked the EABH staff for its continuous support and expressed his gratitude. He thanked Alpha Bank for its generosity and help.

The acting Chairman thanked everyone for attending and closed the meeting.

Manfred Pohl  
Deputy Chairman

Philip L. Cottrell  
Chairman of the Academic Advisory Council

Frankfurt, 5 July 2004