

ASIAN CREDIT UNION FORUM 2008  
September 25-28, 2008  
Bangladesh

## The Credit Union Future

*a destination of choice,  
not a chance*

Ranjith Hettiarachchi  
Chief Executive Officer – ACCU

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## Credit Union Solutions

Endless Imagination of technical and management innovations

to keep the credit union relevance in today's market environment

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## 14 Credit Union Solutions

1. Credit Union Management Tools (Model Policies)
2. Credit Union Business Development Center Operations Manual
3. ACCESS Diagnostic Tool
4. Trainer's Manual on Credit Union Directors Competency Course
5. Credit Union Promotional Manual
6. Trainer's Manual on Credit Union CEOs Competency Course

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## 14 Credit Union Solutions

7. Credit Union Microfinance Innovation Methodology
8. Tool on Poverty Alleviation Program Impact Assessment Software
9. Marketing Tool to Reach the Youth Market Segment
10. Credit Union Governance Checklist
11. Credit Union Risk Based Supervision Service Manual
12. ACCESS Audit Procedures Manual
13. Credit Union Product Catalogue
14. Credit Union Director Toolkit

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## Building solutions to credit union critical challenges

Sustainable Credit Union

ACCESS Branding  
Solution 3 and 12

Management Tools – Solution 1  
Member-Customers Finance HRM Planning Governance

Credit Union Directors Competency Course (CUDCC) - Solution 4  
Credit Union CEOs Competency Course (CUCCC) - Solution 6

Sol. 5 - Credit Union Promotional Manual

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## Credit Union Balanced Scorecard

FINANCIAL  
Growth in Savings and Profitability;  
Safety & Soundness

MEMBERS  
Value Proposition; Differentiation;  
Products & Services (solutions positioning)

OPERATIONS  
Comprehensive Policies, systems & procedures  
Governance, Finance, Marketing, P/S, CRM

PEOPLE  
Corporate Culture, Competency of Leaders &  
Staff; attract & maintain right people.

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# The Credit Union Future

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## 1. Stabilization Fund

- National Reserve Fund for the credit union movement

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### MISSION OF STABILIZATION FUND

- Cover the deficit of a member s/c cooperative after its reserves have been depleted. The main issue is to maintain financial cooperatives in operation whenever possible.
- Participate in the member cooperative capitalization operations

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### What are the foundations for Stabilization Fund

Risk Based Supervision System

Stabilization Fund

Prudential Standards

ACCESS Branding

Professionalization

CUDCC CUCCC

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## 2. Credit Union Risk Based Supervision

Credit Unions

Prudential Standards/ MORR

Aligning capital requirement to underlying risks

Risk Based Supervision & Risk Management

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### Supervisory Approaches

<p><b>Compliance based</b></p> <ul style="list-style-type: none"> <li>Compliance with legislation and regulations and to ensure financial statements meet the requirements of reporting methodology (IFRS)</li> </ul>	<p><b>Risk based</b></p> <ul style="list-style-type: none"> <li>Translating economic and other information into potential risk factors for a CU. Focuses on quality of risk mgt. systems and the recognition of systemic risks to the credit union system.</li> </ul>
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With CURBSS in place, it is a must that credit unions adopt . . .

### 3. Risk Management System in credit unions

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*Effective Risk Management is the hallmark of successful financial institutions.*

*Due to the nature of the business, the success of financial institutions depends on the security, privacy, and reliability of services backed by robust operational practices*

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Risk management is a set of methods for answering a few, common sense questions:

- *What could go wrong?*
- *How wrong could it get?*
- *What can we do about it?*

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### Board Responsibility

Put in place

- an efficient risk management architecture
- adopt risk focused internal audit,
- strengthen MIS
- set up compliance units.

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### 4. Credit Union as Trusted Wealth Creation Advisor for Members

- Credit union mission – Helps member reach their financial destination

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*“Most people do not plan to fail, but fail to plan.”*

### Dreams.

Everyone has them. Dreams can be made into reality by harnessing them to a plan—a plan that provides flexibility and foresight.

## Building credit union competence

- Training staff on financial planning for members
- Reorientation on CU mission (get away from credit orientation)
- Tools on financial planning and wealth creation
- Redesign member's education programs

**Thank you very much.**