

HOW TO REACH 2 MLN MEMBERS IN 20 YEARS

THE CASE OF POLISH CREDIT UNIONS

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SKOK

RAFAŁ MATUSIAK

**PRESIDENT AND CEO
NATIONAL ASSOCIATION
OF COOPERATIVE SAVINGS AND CREDIT
UNIONS**

BACKGROUND

- **1992** - The first credit union in Poland begins its operations.
- CUs were operating only on the basis of occupational common bond, usually between employees of one or a few companies (a shipyard, coal mine, hospital, etc.) or one occupation (teachers working in schools of a certain state administration unit)
- **1996** - The Credit Union Act becomes effective.
- The law allowed to establish CUs when based on organizational common bond (for members of different social organizations: associations, societies, trade unions)
- **10 October 2012** - The new law on credit unions came into force.
 - ✓ State supervision.
 - ✓ Access to state Banking Guarantee Fund.
 - ✓ Ability to serve the NGO sector: cooperatives, churches, condominiums

FUNDAMENTS OF DEVELOPMENT

1. Credit unions provide access to financial services to common people enabling them to meet their goals and improve their economic and social conditions
2. Credit unions are an integral part of Poland's formal financial sector
3. Building financial systems for the less-affluent means creation of sound domestic financial intermediaries that can mobilize domestic savings.

FUNDAMENTS OF DEVELOPMENT

4. People need a diversified range of financial services matching their different needs
5. Credit unions are market-oriented institutions. While their rates are among the lowest on the market, credit union operations are subject to market forces and regulations
6. Credit unions are sustainable financial institutions relying only on their members and not external financing
7. The government's role in development of credit unions is to create conditions for them to operate. Credit unions should be able to decide on what and how within the limits of the law

POLISH CREDIT UNION SYSTEM

2 070 000 MEMBERS

1 456 BRANCHES

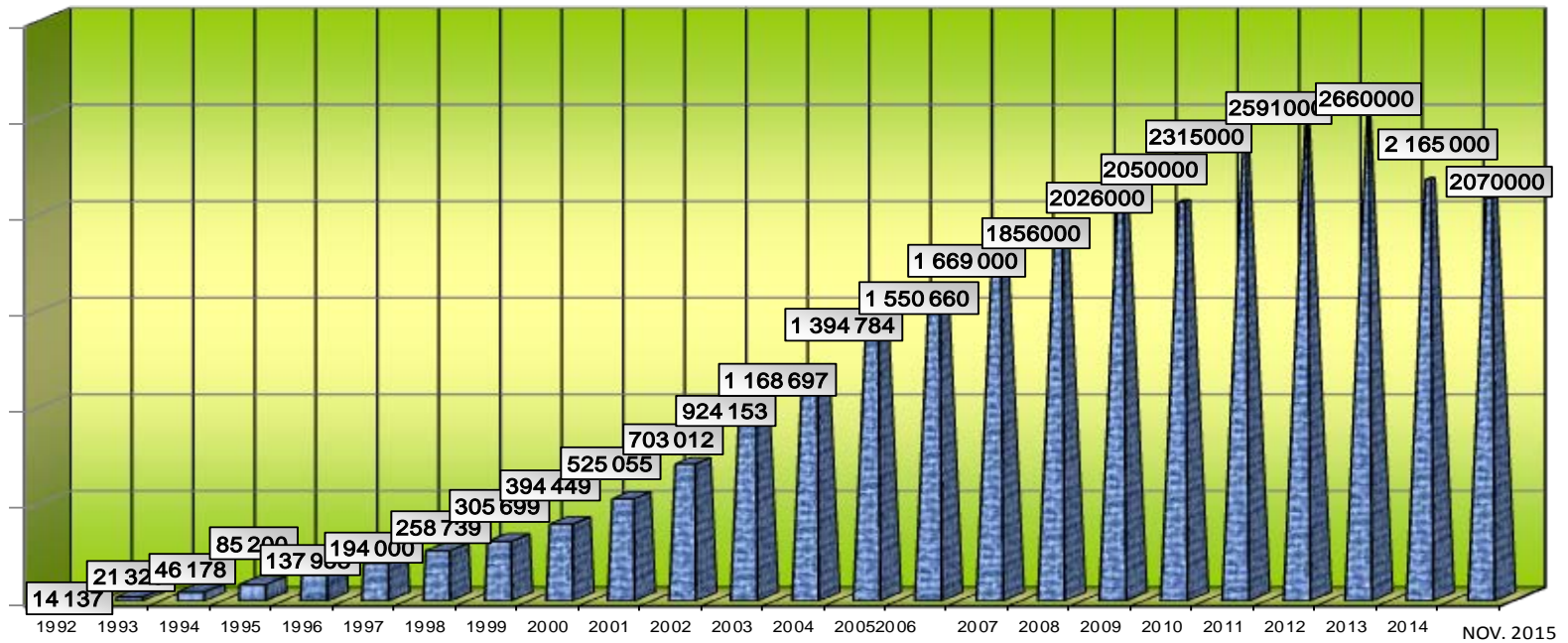
48 CREDIT UNIONS



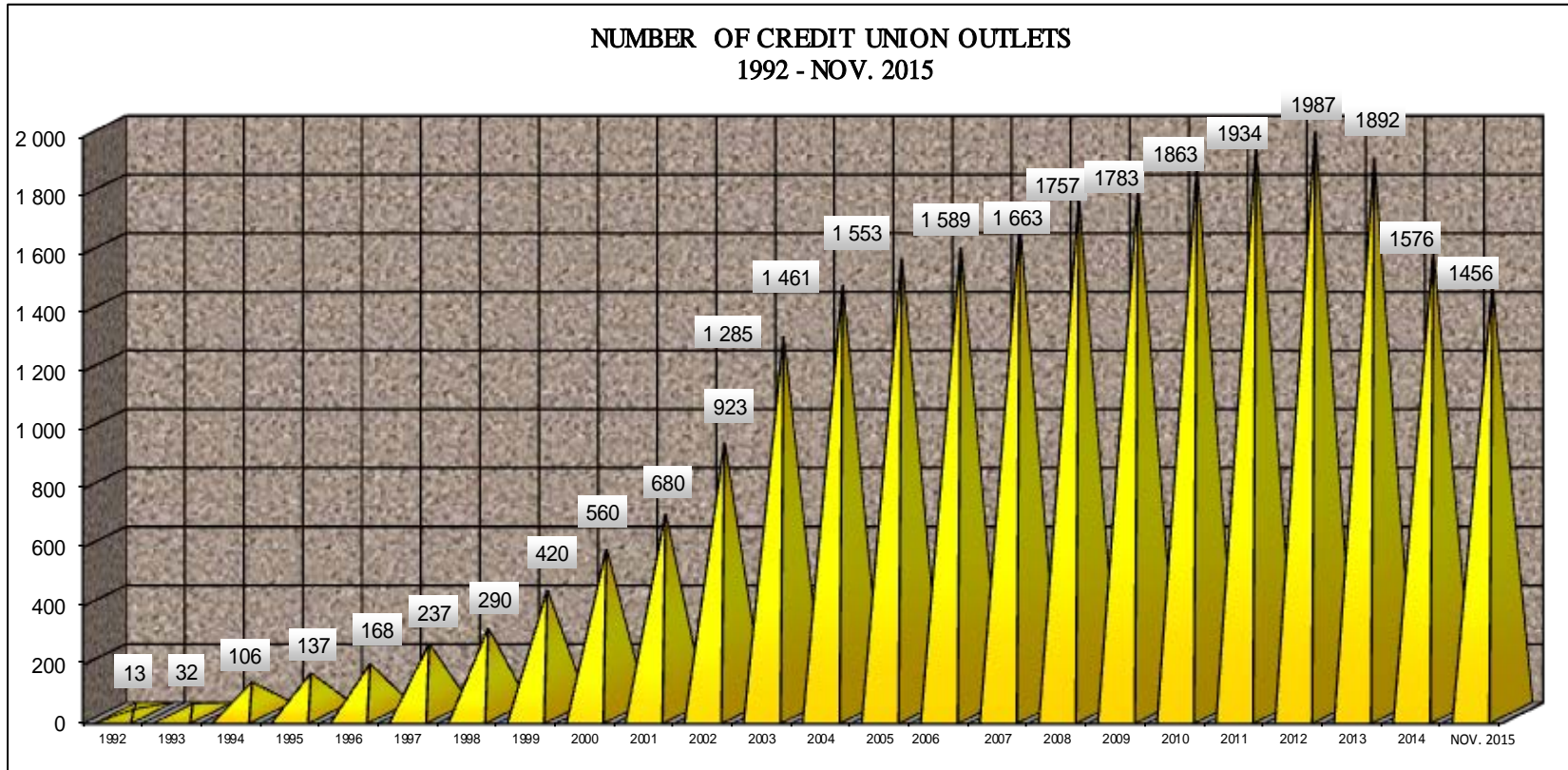
Data as on November 2015

POLISH CREDIT UNION SYSTEM

MEMBER GROWTH
1992 - NOV. 2015



POLISH CREDIT UNION SYSTEM

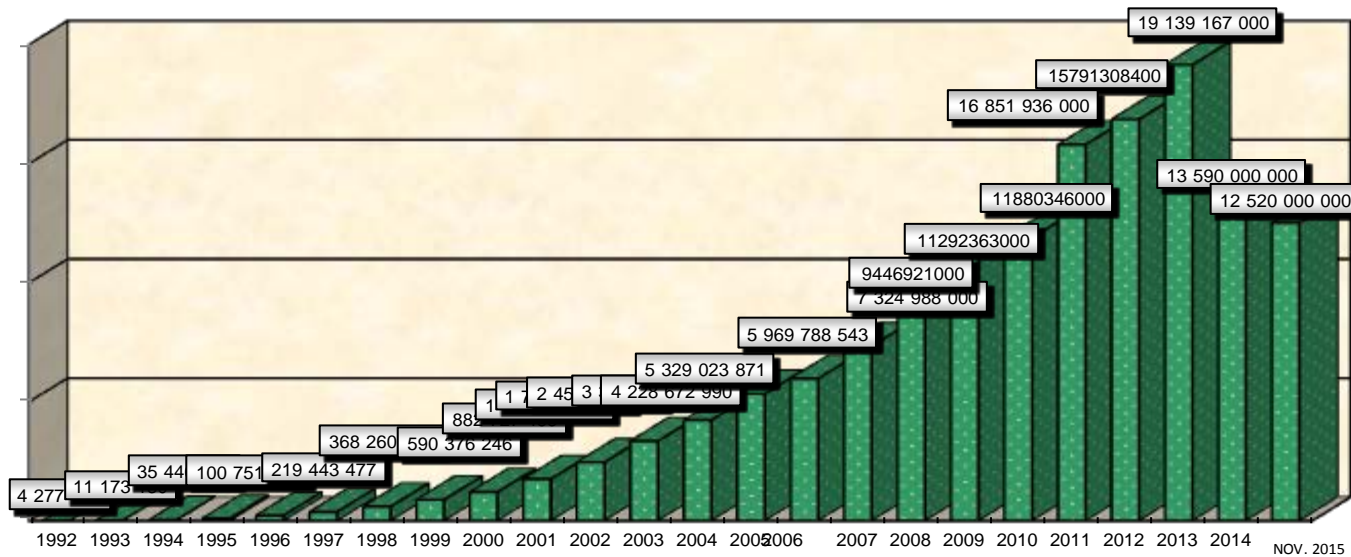


POLISH CREDIT UNION SYSTEM

TOTAL ASSETS (in PLN) 1992 - NOV. 2015

12,52 bln PLN = 3,21 bln USD*
12,52 bln PLN = 2,94 bln EUR*

* average exchange rate in NBP on 31 Dec.2015 1 PLN = 3,90 USD / 4,26 EUR



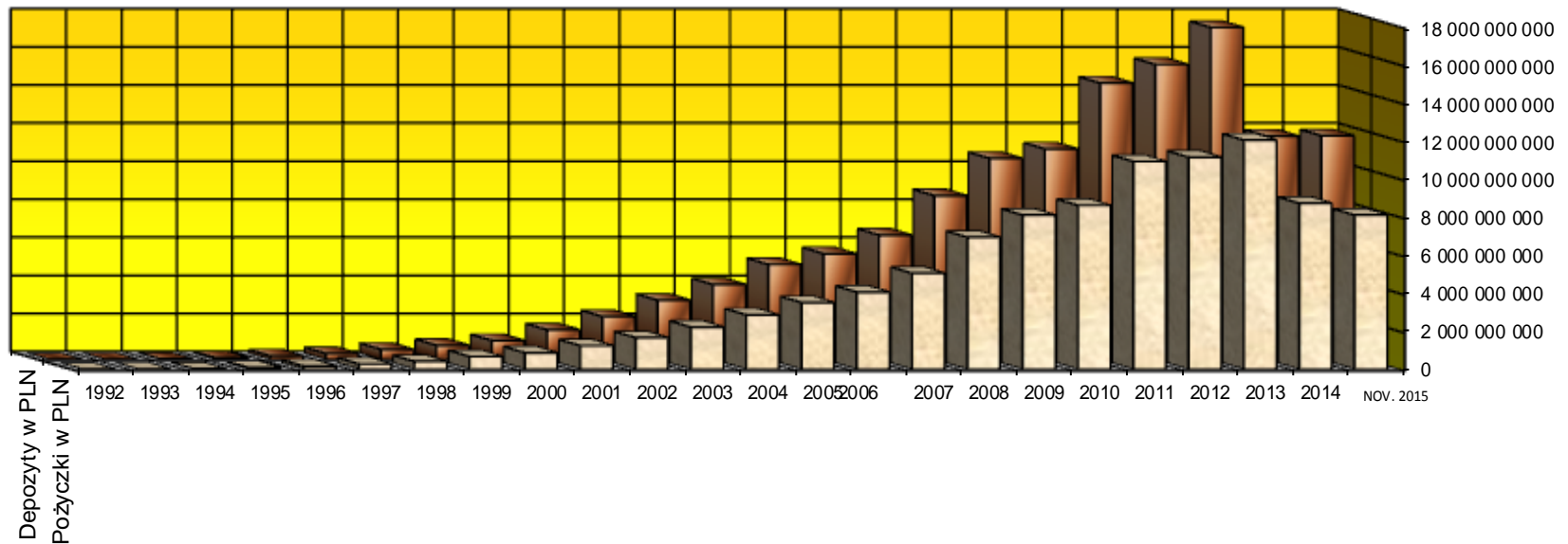
POLISH CREDIT UNION SYSTEM

TOTAL SAVINGS AND LOANS 1992 - DEC. 2014

SAVINGS: 11,75 bln PLN = 3,01 bln USD / 2,76 bln EUR *

LOANS: 8,10 bln PLN = 2,08 bln USD / 1,90 bln EUR*

*average exchange rate in NBP on 31 Dec.2015 1 PLN = 3,90 USD / 4,26 EUR



TYPICAL PRODUCTS AND SERVICES OFFERED BY POLISH CREDIT UNIONS:

- personal accounts
- term deposits
- savings accounts
- loans and credits
- business services: accounts, credits and money transfers
- credit and debit cards
- payment settlements
- insurance services
- investment products



KEY COMPONENTS:

- National Association of Cooperative Savings and Credit Unions (Kasa Krajowa)
- Credit Union Mutual Insurance Society (TUW SKOK)
- Credit Union Life Insurance Society (TU SKOK ŻYCIE S.A.)
- „Asekuracja” Insurance Brokerage Co. Ltd. (Asekuracja sp. z o.o.)
- Aplitt (formerly Credit Union Financial Society S.A. - TF SKOK S.A.)
- Apella S.A. (formerly Media SKOK sp. z o.o. until April 2012:
- Society for Promotion of Financial Education (SKEF)
- Credit Union Arbitration (SAK)
- Credit Union Management Limited Partnership Joint-Stock Co. (TZ SKOK S.K.A.)
- Cooperative Research Institute (SIN SP) Credit Union Publishing House
- SKOK Holding L.L.C. (Limited Liability Company)



KASA KRAJOWA

KRAJOWA SPÓŁDZIELCZA KASA OSZCZĘDNOŚCIOWO-KREDYTOWA

NATIONAL ASSOCIATION OF COOPERATIVE SAVINGS AND CREDIT UNIONS

Key functions:

- ◉ Stabilization and review institution for credit unions, jointly with the State Regulator. Supervised by the State Regulator.
- ◉ Credit union trade association
- ◉ Credit union central
- ◉ Credit union audit



CREDIT UNION MUTUAL INSURANCE SOCIETY

- bonding insurance
- provision of property and casualty insurance products to credit unions
- provision of a variety of insurance products to credit union members



CREDIT UNION LIFE INSURANCE SOCIETY

- provision of life insurance products to credit union members:
 - credit life insurance
 - life savings insurance
 - funeral insurance
 - individual life insurance
 - individual life insurance with investment fund



„ASEKURACJA” Co. Ltd.

- provision of insurance brokerage services
- provision of credit services to credit union members via credit agents
- purchase of overdue liabilities serving credit collection
- Asekuracja is an owner of travel agencies: ECCO Travel, ECCO Holiday

APL!TT

**Formerly CREDIT UNION FINANCIAL SOCIETY
(TF SKOK S.A.)/e-Card**

- Two companies owned by the CU System listed on Warsaw Stock Exchange
- Processing of CU Electronic Cards (debit and credit)
- Managing ATM network/2nd largest in Poland
- International money transfers (with Western Union)
- Internet payments



Towarzystwo
Zarządzające SKOK Sp. z o.o.
Spółka komandytowo-akcyjna

CREDIT UNION MANAGEMENT SOCIETY

TZ SKOK Sp. z o.o. is credit union entity providing outsourcing services for Stefczyk Credit Unions in the following areas of activity:

- logical services (leasing, ATM network services, car fleet management)
- administrative services (renting real estates and movables, central dispatch of mail to members, investments in the acquisitions of facilities, administrations of facilities, securities)
- services supporting the credit process (credit analysis, recovery, restructuring)
- human resources management services (training, recruitment)



COMMON SERVICES CENTRE

The Common Services Centre was established upon the agreement between seven credit unions (Kasa Stefczyka, Kasa Zachodnia, Kasa Centrum, Kasa Unii Lubelskiej, Kasa Jowisz, Kasa Wybrzeże, Kasa Polska) on the combined activity under the name of „Stefczyk Credit Unions”.

- provide a common web portal, call centre, integrated system of management and archiving, property management, use of a central mail dispatch base
- improve the quality and accessibility of services to members of cooperative savings and credit unions

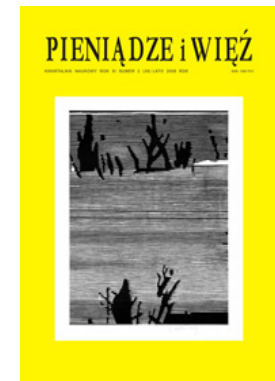


APELLA S.A.

- an advertising and PR agency, interactive media house for Polish Credit Unions
- professional agency dedicated to creating a multilevel strategy public image of SKOK's companies and products
- provides comprehensive support for all elements of the marketing campaign, from unique creation to promotion in national media
- professional and experienced team of professionals in advertising, social communication, construction of image, graphics, creation, copywriting and planning media campaigns
- editor and publisher of a monthly magazine „Gazeta Bankowa”

CREDIT UNION PUBLISHING HOUSE

- Publications promoting credit unions and their philosophy
- „Money and Bond” Scientific Quarterly and „Law and Bond”
- other publications promoting economic education, understanding of sound business and financial management practices





SOCIETY FOR PROMOTION OF FINANCIAL EDUCATION

- Promotion of financial education in the society
- Provision of legal and financial assistance including debt counselling to individuals through network of legal and financial advisory offices

CO-OPERATIVE CONSUMER ARBITRATION

- settling extra-judicial disputes between credit union and its members regarding credit union services

CREDIT UNION ARBITRATION COURT

- arbitrating disputes between credit unions (esp. on dishonest competition)

- **THANK YOU FOR YOUR ATTENTION !**

- **More info:**
- www.skok.pl
- **Contact:**
- kskok@skok.pl

