



IMPROVING LIVES

through CREDIT UNIONS

2014 Annual Report



**World Council
of Credit Unions**

We are the global



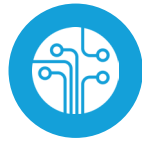
Trade Association



Development Agency



Foundation



Digital Financial Services Group

for CREDIT UNIONS

Our mission is to improve lives through credit unions.

We believe that all people have the right to quality financial services.

Our vision is to expand financial inclusion worldwide through the global credit union community.

In 2014, we committed to **Vision 2020**: the global campaign to add 50 million new credit union members worldwide by the year 2020.

At that time,
57,000 CREDIT UNIONS
in 103 countries served
208 MILLION members.

We aim to increase credit union membership to at least 260 million in 2020.

We invite you to read on to learn how we got closer to achieving our vision in 2014.

WHAT IS VISION 2020?

A global membership growth campaign, initiated in 2014 by World Council of Credit Unions, to extend credit union services to at least 50 million new people by the year 2020.

2013
208 MILLION MEMBERS WORLDWIDE
→
2020
260 MILLION MEMBERS WORLDWIDE

THE ISSUE

2 BILLION PEOPLE are unbanked¹

55%
are women



54%
are of the poorest 40% of households in developing countries



54%
are young adults (ages 15–24)



Most common reason for not having an account:
lack of money to use it

WHY CREDIT UNIONS? They:

Are member-owned, not-for-profit financial cooperatives

Belong to a global community of over 57,000 credit unions in 103 countries

Provide quality and affordable financial services to their members

Serve those who need it most, including rural residents, women and the young

HOW?

World Council will work with credit union systems to:

- 1 Provide technical assistance and training to credit union management and board of directors
- 2 Reduce regulatory burden
- 3 Increase young adult outreach
- 4 Implement financial education programs
- 5 Offer robust product offerings
- 6 Expand remote access to services via technology
- 7 Link payment networks to financial services

The World Bank has included Vision 2020 as part of their commitment for universal financial access by 2020. Learn more at www.woccu.org/Vision2020.

Leadership REPORT



Grzegorz Bierecki
Chairman



Brian Branch
President & CEO

For over 45 years, we have strived to improve lives through credit unions. We build, champion, defend and grow a global credit union community that improves lives. On behalf of our member organizations, we:

- Advocate internationally to achieve better legislative and regulatory outcomes for credit unions and their members.
- Provide education and global networking for the exchange of information and ideas.
- Champion the credit union and cooperative financial institution model worldwide.
- Grow and strengthen the credit union system with technical assistance, training and tools for management, outreach and networking.

In 2014, World Council continued to live by those standards. Along the way, we achieved a number of successes in the face of difficult challenges.

World Council membership grew. We welcomed into the global credit union community two new startup credit union organizations as affiliate members from the Netherlands: Dutch Association of Cooperating Credit Unions and the Association of Credit Unions in the Netherlands.

We gave members top quality international advocacy support. We advocated for credit unions to be global standard setters by engaging in substantive international body dialogues, supporting the representation of credit unions in Brussels via the European Network of Credit Unions (ENCUC) and serving as the secretariat of the International Credit Union Regulators' Network. We also supported our members in national legislative and regulatory advocacy.

A unifying priority for members worldwide was membership growth, particularly young adults. In 2014, we committed to **Vision 2020**: to add 50 million new members to credit unions by the year 2020. We aimed to increase credit union membership to at least 260 million in 2020.

Our members told us what they need to be successful. National systems need empowering and less restrictive legislative and regulatory frameworks to grow. Credit unions need to offer mobile, online and payments technology to respond to consumer demands. For small credit unions to be sustainable, they need both greater efficiency and regulatory relief. They also need to offer payment services and online channels to attract new members. As a movement, we need to document and share young adult membership growth best practices and tools. To compete, we need to understand and develop competitive strategies to attract membership worldwide.

We committed ourselves to helping our members tackle the common challenge of young adult membership growth. In our World Credit Union Conference programs, Build the Brand Program, social media outreach, training programs and regional conferences, we identified and shared credit unions' successful membership growth strategies and products. We will keep supporting our members in these ways to help credit unions everywhere better serve their members.

A handwritten signature in blue ink, appearing to read 'Grzegorz Bierecki'.

Grzegorz Bierecki
Chairman

A handwritten signature in blue ink, appearing to read 'Brian Branch'.

Brian Branch
President and CEO



2014 HIGHLIGHTS

- Our **membership** consisted of 67 organizations representing 56 countries. The Dutch Association of Cooperating Credit Unions and the Association of Credit Unions in the Netherlands joined as affiliate members. The Australasian Mutuals Institute Ltd of Australia joined as an associate member.
- We achieved a better regulatory environment for credit unions through our **advocacy** efforts before international standard setting bodies based in Basel, London, Paris and Brussels. Our advocacy before the International Accounting Standards Board (IASB) resulted in the IASB finalizing International Financial Reporting Standard 9 in April 2014 using an expected credit loss methodology, which will require significantly lower loan loss reserves than the alternative “Current Expected Credit Losses” standard proposed by the Financial Accounting Standards Board (FASB) under US GAAP. We gained regulatory relief for credit unions in anti-money laundering and countering the financing of terrorism compliance by successfully advocating for the Financial Action Task Force to include guidance on limiting regulatory burdens on less complex credit unions in its revised *Risk-Based Approach for the Banking Sector* guidance issued in October 2014. Our advocacy efforts with the European Network of Credit Unions regarding Basel III implementation led to the Basel Committee on Banking Supervision and the European Union revising their Basel III liquidity rules during 2014. These changes helped credit unions get better rates on bank deposit investments by significantly decreasing the reserves that banks subject to the Basel III liquidity rules must hold against deposits made by credit unions.
- We helped launch the first **European Parliament Credit Union Interest Group**, a caucus for 15 Members of the European Parliament from Austria, Finland, the Republic of Ireland, Luxembourg, Poland and the U.K., who support credit unions.
- Our **2014 World Credit Union Conference** in Gold Coast, Australia, attracted 1,882 attendees from 48 countries. The conference included sessions on young adult membership, technology, leadership and credit union advocacy.
- We launched the third phase of our *Build the Brand* initiative to help credit unions grow young adult membership. It includes a new educational program, *weCU2*, which helps credit unions and millennials better understand one another through video interviews with industry experts and case studies on emerging payment trends.
- Our **International Partnerships Program** supported 20 credit union partnerships and facilitated 15 educational exchanges between emerging and developed credit union systems.

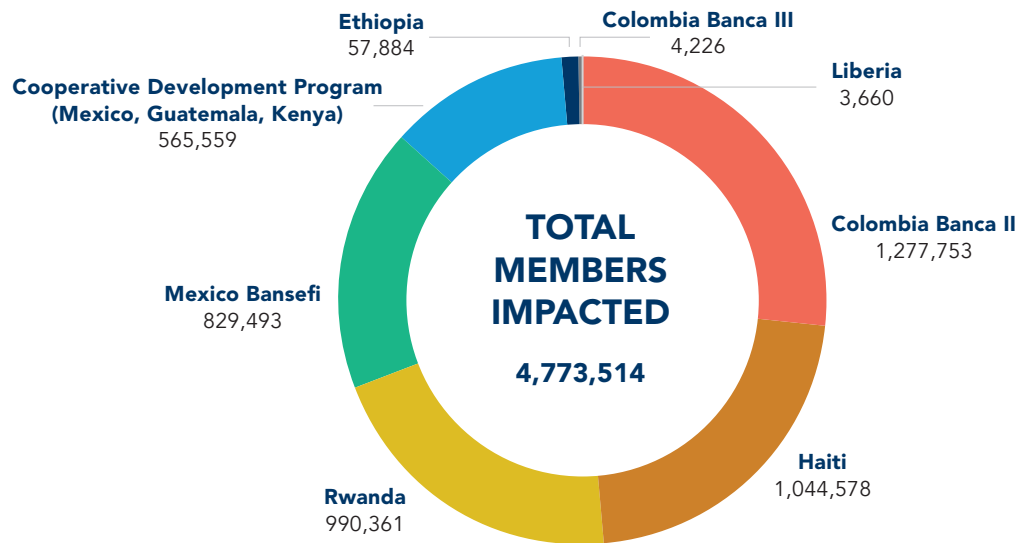


- Our [Global Women's Leadership Network](#)—for the first time in Network history—asked its scholarship winners to design concept proposals to increase access to credit, loans, savings and leadership opportunities for women in their communities. Two grant recipients received funds, technical support, expertise and guidance from their Network peers worldwide.
- Our International Credit Union Leadership Program provided 24 emerging leaders from Brazil and the United States the opportunity to participate in intensive, short-term credit union internships abroad. The program focused on teaching young credit union leaders best practices and effective management techniques and was funded by the U.S. Department of State, Bureau of Educational and Cultural Affairs, Office of Citizen Exchanges.
- We hosted 10 international training programs for over 260 credit union leaders, which focused on topics such as lobbying, new card technology, loan underwriting and collections practices.
- We held the second annual Financial Management Workshop geared toward Latin American credit unions in Washington, D.C., USA, which attracted 120 participants from nine countries.
- The [Worldwide Foundation for Credit Unions](#)—our official fundraising arm—secured US\$2.037 million in funding to support credit union development activities, the Global Women's Leadership Network and the International Partnerships Program.



Financial INCLUSION

- Our **credit union development programs** impacted 4.8 million members in 8 countries: Colombia, Ethiopia, Guatemala, Haiti, Kenya, Liberia, Mexico and Rwanda. Programs focused on expanding financial inclusion in rural and urban areas; extending agricultural finance and training; developing mobile money and payment systems; and improving regulatory systems and training.



- In **Ethiopia**, we completed our six-year donor-funded program, which strengthened 165 credit unions to reach self-sustainability and meet farmer demand for agricultural finance products. The program also provided farmer training and infrastructure investments. We exceeded targets to improve food security and livelihoods for Ethiopian farming families, helping over 44,000 farmers produce higher crop yields and increase their incomes.
- **ENTURA**—our for-profit wholly owned subsidiary—continued to promote financial inclusion through technology-based solutions for credit unions. In 2014, its offices in Mexico, Peru and Ecuador provided over 4 million service transactions.
- In Mexico, we piloted a mobile banking initiative that allows credit union members to do all types of transactions using their phones, including account-to-account transactions between members participating in the network—regardless of which credit union they belong to. This ability to easily transfer funds and make payments opens the door to convenience and cost savings to over 3,500 users.



Financial SUMMARY

The financial statements covering calendar year 2014 were audited by CliftonLarsonAllen LLP. The auditors issued an unmodified report and found no material weaknesses and no instances of noncompliance material to the financial statements.

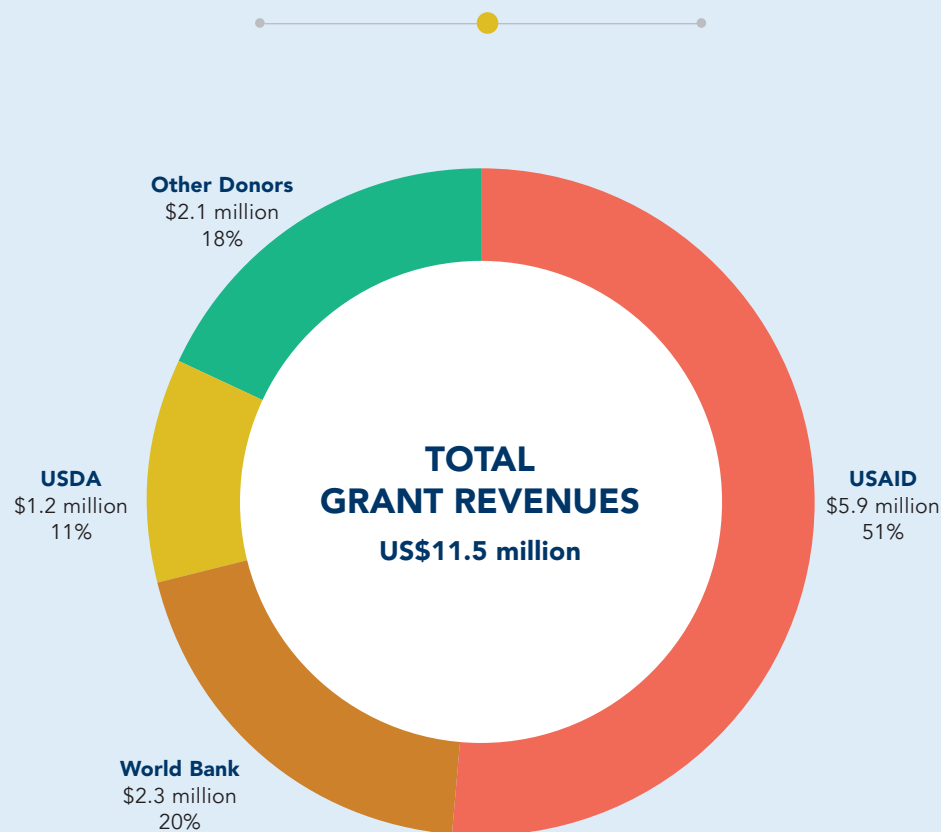
World Council consists of three entities:

- ① **World Council of Credit Unions, Inc. (WOCCU)**, a nonprofit trade association and international credit union development organization;
- ② **WOCCU Services Group, Inc. (WSG)**, a for-profit corporation wholly owned by WOCCU; and
- ③ **Worldwide Foundation for Credit Unions, Inc. (WF)**, a nonprofit charitable organization.

As a not-for-profit organization, World Council of Credit Unions is being run on a balanced budget basis while maintaining safe net asset (capital) levels. For 2014, consolidated WOCCU, WSG and WF operating results created a decrease in net assets of US\$2.3 million. An adjustment to the employee pension plan decreased net assets by \$1.0 million. A revaluation of foreign investments and extraordinary legal fees resulted in a decrease in net assets by \$1.3 million. Final net assets at December 31 were \$4.2 million.

Revenues totaled US\$20.7 million for 2014. Grant revenues of US\$11.5 million were 55% of total revenues. Grants from USAID continue to be the most significant source of revenues.

Development Grant Revenues



POSITION

Consolidated Statement of Financial Position

ASSETS (in USD millions)

Current Assets

	2014	2013
Cash & CDs	\$6.3	\$8.9
Cash - Restricted in Projects	0.4	0.7
Receivables and Prepaid Expenses	3.6	4.1

Other Assets

Investment in International CUs & Subsidiaries	0.4	0.3
Furniture, Equipment & Leaseholds	0.4	0.4
TOTAL ASSETS	\$11.1	\$14.4

LIABILITIES & NET ASSETS

Liabilities

Accounts Payable & Accrued Expenses	\$3.3	\$3.7
Unearned Revenue	2.3	3.8
Accrued Pension Liability	1.1	0.4
Note Payable	0.2	
TOTAL LIABILITIES	6.9	7.9

Net Assets

Unrestricted	1.6	3.9
Unrestricted - Board Designated	2.1	2.2
Unrestricted - Noncontrolling interest in subsidiary 0.1	0.1	0.1
TOTAL UNRESTRICTED NET ASSETS	3.8	6.2
Temporarily Restricted	0.4	0.3
TOTAL NET ASSETS	4.2	6.5
TOTAL LIABILITIES & NET ASSETS	\$11.1	\$14.4

ACTIVITIES

Consolidated Statement of Activities

REVENUES (in USD millions)

	2014		2013	
Grant Revenues	\$11.5	55%	\$16.8	66%
Membership Dues	2.3	11%	2.3	9%
Conference Registration Fees	2.5	11%	2.7	11%
Supporter Contributions	1.5	1%	1.4	6%
Other Revenues	2.9	12%	2.1	8%
TOTAL REVENUES	\$20.7	100%	\$25.3	100%

EXPENSES

Trade Association/Meetings Activities	\$3.9	18%	\$5.9	24%
Grant Supported Development Activities	9.9	45%	15.2	60%
International Foundation Activities	1.3	6%	1.0	4%
Other	5.3	24%	1.6	6%
Administration & Fundraising	1.7	7%	1.5	6%
TOTAL EXPENSES	22.1	100%	25.2	100%
SUBTOTAL	(\$1.4)		\$0.1	

FAS 158 Adjustment	(1.0)	1.8
Increase in Net Assets Attributable to Ownership of the Noncontrolling Interest in Subsidiary	0.1	
INCREASE IN NET ASSETS		\$1.9
DECREASE IN NET ASSETS	(\$2.3)	
Net Assets at Beginning of Year	\$6.5	\$4.6
Net Assets at End of Year	\$4.2	\$6.5

2014 World Council MEMBERS

DIRECT MEMBERS

Afghanistan - Islamic Investment and Finance Cooperatives Group
Australia - Customer Owned Banking Association
Azerbaijan - Azerbaijan Credit Union Association
Brazil - Confederação Interestadual das Cooperativas Ligadas ao Sicredi
Cameroon - Cameroon Co-operative Credit Union League, Ltd.
Canada - Credit Union Central of Canada
Caribbean - Caribbean Confederation of Credit Unions
Antigua & Barbuda - Antigua & Barbuda Co-operative Credit Union League Ltd.
Bahamas - The Bahamas Co-operative League Limited
Barbados - Barbados Co-operative & Credit Union League Ltd.
Belize - Belize Credit Union League Ltd.
Bermuda - BIU Members Credit Union Co-op. Society
Cayman Islands - The Cayman Islands Civil Service Association Co-operative Credit Union Ltd.
Curacao - FEKOSKAN - Credit Union League of Curacao
Dominica - Dominica Co-operative Societies League, Ltd.
Grenada - Grenada Co-operative Credit Union League Ltd.
Guyana - Guyana Co-operative Credit Union League
Jamaica - Jamaica Co-operative Credit Union League Ltd.
Montserrat - St. Patrick's Co-operative Credit Union
Saint Kitts & Nevis - Saint Kitts & Nevis National Co-operative League Ltd.
Saint Lucia - Saint Lucia Co-operative League Ltd.
Saint Vincent & the Grenadines - Saint Vincent & the Grenadines Co-operative League, Ltd.
Suriname - Suriname Credit Union League
Tortola - Tortola Co-operative Credit Union Ltd.
Trinidad & Tobago - Co-operative Credit Union League of Trinidad & Tobago
Colombia - Federación Nacional de Cooperativas de Ahorro y Crédito Financieras
Costa Rica - Federación de Cooperativas de Ahorro y Crédito de Costa Rica R.L.
Dominican Republic - Asociación de Instituciones Rurales de Ahorro y Crédito, Inc.
El Salvador - Federación de Asociaciones Cooperativas de Ahorro y Crédito de El Salvador, R.L.
Estonia - Estonian Union of Credit Cooperatives
Gambia - National Association of Cooperative Credit Unions of The Gambia
Ghana - Ghana Co-operative Credit Union Association Ltd.
Great Britain - Association of British Credit Unions, Ltd.
Guatemala - Federación Nacional de Cooperativas de Ahorro y Crédito de Guatemala
Ireland - Irish League of Credit Unions

Kenya - Kenya Union of Savings & Credit Co-operatives Ltd.
Macedonia - FULM Savings House
Malawi - Malawi Union of Savings and Credit Co-operatives, Ltd.
Mexico - Caja Popular Mexicana
Moldova - Central Association of Savings and Credit Associations
New Zealand - Co-op Money NZ
Panama - Corporación Fondo de Estabilización y Garantía de Cooperativas de Ahorro y Crédito de Panamá, R.L.
Papua New Guinea - Federation of Savings and Loan Societies, Ltd.
Paraguay - Central de Cooperativas del Area Nacional Ltda.
Peru - Federación Nacional de Cooperativas de Ahorro y Crédito del Perú
Poland - National Association of Co-operative Savings & Credit Unions
Romania - Federation of Romanian Credit Unions
Russia - Russian Credit Union League
Seychelles - Seychelles Credit Union
Singapore - Singapore National Co-operative Federation
Ukraine - Ukrainian National Association of Savings and Credit Unions
United States - Credit Union National Association

AFFILIATE MEMBERS

Belarus - Republican Association of Consumer Cooperatives for Mutual Financial Assistance
Liberia - Liberia Credit Union National Association
Netherlands - Association of Credit Unions in the Netherlands
Netherlands - Dutch Association of Cooperating Credit Unions

ASSOCIATE MEMBERS

Australia - Australasian Mutuals Institute Ltd.
International - Cooperative Banking Association
International - Raiffeisen Union
International - Cooperative & Mutual Insurance Federation
Poland - Cooperative Savings and Credit Union Mutual Insurance Society
United Kingdom - CUSSCO Ltd
United States - CO-OP Financial Services
United States - CU Direct Corporation
United States - Credit Union Executives Society
United States - CUNA Mutual Group
United States - The Members Group

Board of Directors

Grzegorz Bierecki
Chair, Poland
National Association of Cooperative Savings and Credit Unions

Anne Cochran
1st Vice Chair, USA
Credit Union National Association

Daniel Burns
2nd Vice Chair, Canada
Credit Union Central of Canada

Patrick Jury
Treasurer, USA
Credit Union National Association

Manfred Dasenbrock
Secretary, Brazil
Confederação Interestadual das Cooperativas Ligadas ao SICREDI

Brian McCrory
Director, Ireland
Irish League of Credit Unions

Bruce Foulke
Director, USA
Credit Union National Association

Doug Stoddart
Director, Canada
Credit Union Central of Canada

Mark Degotardi
Director, Australia
Customer Owned Banking Association

Oswaldo Oliva
Director, Guatemala
National Association of Credit Unions of Guatemala

Steven Stapp
Director, USA
Credit Union National Association

Sylvester Kadzola
Director, Malawi
Malawi Union of Savings and Credit Cooperatives

Yvonne Ridguard Harris
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