



# Model Credit Union Building

WOCCU's Model Credit Union Building (MCUB) tool helps **launch new credit unions (CU)** , **strengthen existing ones and helps those that are ready to expand** operations.



- Guides individual CUs at all stages of development from startup through growth to expansion
- Builds networks of CUs in countries to create stronger, more resilient systems
- Tracks results against industry benchmarks
- Is replicable in a wide variety of geographic, economic and cultural contexts

## Model Credit Union Building's Innovative Methodology

MCUB is a standardized and efficient approach to setting up new credit unions. It also enables a precise, swift and quantitative diagnosis of problems that struggling credit unions face and offers actionable, proven steps to help remedy them. This is achieved through the resilient operational framework outlined below:



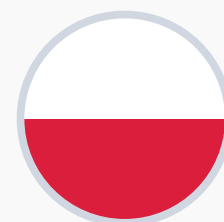
INNOVATION	CHALLENGE	SOLUTION
<b>Diagnostic tool to identify &amp; analyze underperforming parts of operations</b>	Maintaining disciplined & profitable operations	PEARLS methodology ( see PEARLS tool)
<b>Standardized accounting method within and across CUs</b>	Maintaining clear financial information within and across institutions	Standardized chart of accounts, balance sheet & income statements in compatible format
<b>Digitizing processes and improving information systems</b>	Ensuring efficient operations & comprehensive, automated record keeping	Introducing or upgrading digital processing systems.
<b>Improved credit &amp; savings products</b>	Offering competitive services to members	Adapted loan due diligence & rates and collection methodologies. New savings products like term deposits, passbooks or youth programs
<b>Proven business planning methodologies to increase CU profitability or expand</b>	Growing & expanding CU's footprint	Integrated market analysis, business planning and central finance facility
<b>Support to grow number of members and increase savings</b>	Increasing membership base & savings mobilization as main source of financing	Marketing & savings mobilization plans
<b>Capital injections and technical assistance</b>	Jump starting FIs in new regions or restarting/stabilizing CUs in post conflict environments.	Offering competitive interest rates on deposit accounts
<b>CU policy framework guidelines</b>	Ensuring regulatory compliance and effective & transparent corporate structure.	Close collaboration with national level implementation partners to increase reach and sustainability of intervention
<b>Governmental advocacy</b>	Ensuring an enabling regulatory environment for CUs	Educating and advocating national CU association and regulators on appropriate regulations for CUs to operate beneficially

## Impact Snapshot

Poland

### Building a strong credit union system in post-Communist Poland

WOCCU's work helping build Poland's vibrant credit union system remains one of the MCUB's greatest achievements to this day. WOCCU worked with the Polish CU Association (NASCU) from 1992-1999 to help grow the Polish CU movement from an embryonic size to the powerhouse it is today.



In addition to the financial disciplines instilled by PEARLS and business planning assistance WOCCU provided, they also helped advocate for a more enabling regulatory environment for CUs. The Credit Union Act which was ratified in 1996 opened the door for explosive growth of community credit unions throughout Poland.

#### Growth of Polish CU System

	1992	1998	2018
<b>Members</b>	<b>14,137</b>	<b>258,239</b>	<b>1.5M</b>
<b>Points of Services</b>	<b>13</b>	<b>290</b>	<b>1,870</b>
<b>Assets</b>	<b>\$3M</b>	<b>\$168M</b>	<b>\$2,500M</b>

Poland has also been an innovator in the MCUB space. Its use of back office collaboration across branches, enabled even small Polish CUs to take advantage of economies of scale for its processes while maintaining operational independence. This has been a critical factor enabling Polish CUs to collectively become the country's single largest financial network.

Their use of creative marketing and branding, such as hiring celebrities spokespeople, has put Polish CUs on the map. After the 2008, when commercial banks' image was tarnished by their role in the financial crisis, CUs took the opportunity to differentiate themselves. Their "Don't blame us, we're not banks!" campaign drew widespread national attention and thousands of new members to CUs.

## Afghanistan

### Jump starting credit unions in a post-conflict and unstable environment: Afghanistan

WOCCU founded a new community credit unions know as Islamic Investment Financial Cooperatives (IIFC) in Afghanistan.



By combining liquidity injections and technical assistance, WOCCU helped establish and stabilize **25 Sharia compliant IIFCs in 14 provinces**. By 2012, they were providing financial services to:



**92,000**  
low income Afghans



**\$20M**  
in loans outstanding



**\$4.5M**  
in savings and shares



**\$27M**  
in combined assets

As of 2018, 24 IIFCs in Afghanistan were operating self-sufficiently, albeit with somewhat reduced assets. Despite all these challenges, they had been able to increase their overall membership to **119,000 people**.

