



Presentation to
Representatives from
Russia/Moldovia and Kazakhstan

Presented by: Paul Ryan, Noel Cocoman, Alan Whelan

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What we will cover today

- About An Post Employees' Credit Union
- Business model
- Finances
- Strategy
- Strengths and challenges
- Lending
- Risk, compliance and audit
- Getting the message out

About An Post Employees' Credit Union

- Formed in 1968
- Old central post sorting office in Dublin
- Payroll deduction (1990s) transformed things
- Common bond extended to all of Dublin
- Common bond extended nationwide
- 2015 – family members

Business model

- **Traditionally very simple**

 - One loan product, one savings product

 - Insurance benefits, car draw

 - No joint accounts

- **Adding complexity in recent years**

 - Electronic payments

 - Online banking; mobile app

 - New loan products

 - Christmas savings account

Finances

- Assets €52M
- Membership 6,300
- Loans €19.3M (37% of assets)
- Reserves 18% of assets
- Return on assets 1.54%
- Premises is owned, no significant impairment

Strategy

- Board strategic plan
- **Current plan highlights**
 - Appointment of Development Officer
 - Electronic payments, web and mobile
 - New loan products
 - Re-branding
 - Board and staff development
- Next plan March 2018

Strengths

- Centralised payroll/ pensions Dept.
- Stable employment patterns
- Relatively strong loan book
- Low bad debts
- Member loyalty
- Centralisation of operations helps communications
- Good IT systems
- Good governance practices
- Good risk and compliance embedded

Weaknesses

- Postal service in decline
- Ageing membership
- Limited staff resources
- Difficult to scale up

Lending

- 100% unsecured
- Home improvement/ cars the main
- Loan book turns over every two years
- 2% of loans in excess of five year term
- Lending rate 8.9%
- Interest rebate – 12% this year
- Within shares loan 4.99%
- Mortgage clearance loan 3.8%

Risk Management

- Risk management framework
 - Board
 - Audit & Risk Committee
 - Risk Officer
 - Risk Register
 - Risk management software
 - Reporting arrangements

Compliance

- Compliance
 - Audit & Risk Committee
 - Compliance Officer
 - Reporting arrangements
 - Annual compliance statement

Audit

- External audit
- Internal audit - outsourced

Getting the message out

- Quarterly statements
- Quarterly newsletter
- Web
- Social media
- Workplace visits
- Poster campaigns
- Improving literature

Getting the message out (2)

- Stands at union conferences
- Direct mail
- Car draw – special draws
- Making AGM attractive
- 50th anniversary celebrations

Thank you for listening!



**Any last
questions....?**

