



Credit Cooperatives in Estonia, 2016

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Estonian Union of Credit Cooperatives

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Network of CC-s today

23 CC-s in the Business Register. 9 of them are members of EUCC. About 7500 members at all (4800 members belong to the CC-c of EUCC). Market share < 0,01%.

Members of EUCC and associated institutions today:

Leie CC, founded in 1992

Kambja CC, founded in 1992

Kehtna CC, founded in 1993

Järva-Jaani CC, founded in 1999

Saaremaa CC, founded in 1999

Estonian Union of Credit Cooperatives, founded in 1999

Põlvamaa CC, founded in 2000

Evangelist Lutheran CC, founded in 2001

Deposit Guarantee Fund for CC-c, founded in 2001

Tartu CC, founded in 2006

Forestry CC, founded in 2009

Baltic Shared Services Ltd., founded in 2010

Some statistics:

Credit cooperatives of EUCC, Nov. 2015

	million euros	%% of all CC-s	October 2015	August 2014
Equity	4,8	39	40	44
Assets	27,6	48	55	69
Savings	20,9	49	54	76
incl. businesses	1,4	50	54	88
private persons	18,6	48	53	88
NGO-s	0,4	94	96	97
Loans	21,4	48	56	78
incl.mortgage loans	17,0	76	83	82
to businesses	12,8	42	51	76
to private persons	7,9	64	66	82
to NGO-s	0,1	16	19	42



Changes in the environment

- Ignorance by commercial banks (instead of active opposition as before)
- Dialog with the Government
- Increasing interest to CC-s by the public
- Increasing trend of misuse of the cooperative approach by several CC-s outside of EUCC
- Willingness to change the status of CC-s among crediting institutions (instruction of ECB)
- Recognition of EUCC by international organizations (EUCC, WOCCU)
- Development of the back office infrastructure: automated data processing, internet banking, payment services etc.

A background image showing several hands of different skin tones stacked together in a supportive gesture, symbolizing teamwork or shared challenges. The hands are arranged in a circular pattern, with fingers pointing towards the center.

Main problems

- Comparatively poor knowledge of CC movement
- Too small number of vital CC-s
- Shortage of lending resource
- Unfair treatment of clients by commercial banks
- Poor capacity of saving guarantees; no access to the national guarantee scheme
- Slow introduction of servicing infrastructures (IT back office approach - *in progress now!*)
- Taxation of interest on savings
- Continuous pressure of increasing bureaucracy of the authorities

A background image showing several hands of different skin tones stacked together in a supportive gesture, with fingers pointing downwards. The hands are arranged in a circular pattern, creating a sense of unity and teamwork.

Challenges

- Achieve better awareness of CC-s by public
- Supply all CC-s with modern back office services (internet banking, independent payment system, unified loan and savings management in the first order)
- Expand the list of services provided (leasing, factoring etc.)
- Find additional financial resource for operation
- Introduce a corporate auditing service
- Increase the total capacity and a market share of CC-s
- Widen the network of CC-s
- ...