

WARM UP

1 What type of financial institutions are there in your country?

Credit unions

A credit union is a kind of financial co-operative which is owned by its members and run on a **not-for-profit basis**, unlike other banks and financial institutions which are profit-making enterprises. A credit union provides similar services to any other bank, such as current and savings accounts, credit cards and loans, but usually at better conditions. Interest rates charged on loans are often lower, while interest paid on savings is normally higher.

MEMBER STATISTICS			
Year	Countries	Credit Unions	Members
2011	100	51,013	196,498,738
2010	100	52,945	187,986,967
2009	97	49,330	183,916,050
2008	97	53,689	185,800,237
2007	96	49,134	177,383,728
2006	96	46,367	172,007,510
2005	92	42,705	157,103,072
2004	82	41,042	128,338,297

Source: *Statistical Report*, World Council of Credit Unions, Inc.

Members of a credit union generally have a common link, such as living in a specific community, working for a certain employer, or belonging to the same religious group or other organisation. All members can be an active part of their credit union as everyone is free to run for a place on the board of directors and all members can vote in the elections for these directors.

The ideas and values behind credit unions started in the 19th century and credit unions soon became particularly popular in the USA and Canada. Today, as can be seen in the table, credit unions are found in 100 countries around the world. Credit unions are regulated by the relevant authorities in each country, for example the Prudential Regulation Authority

and the Financial Conduct Authority in the UK (the two regulators which replaced the FSA in 2013). Many of them are also members of the World Council of Credit Unions, a global trade association and development agency, which promotes credit unions across the world, negotiates better laws and regulations and provides the tools and technology for credit unions to improve their performance and help more people. In fact, the services of a credit union go beyond what a regular bank offers, as credit unions believe in helping members and creating opportunities, particularly for those who live in remote and rural communities, to build a home, educate their children and start a small business.

Source: World Council of Credit Unions

READING COMPREHENSION

2 Read the text and decide if these sentences are true (T) or false (F). If there is not enough information, choose 'doesn't say' (DS).

- Credit unions differ from banks as they are not run to make a profit.
- There are no similarities between banks and credit unions.
- Credit unions offer better customer services than banks.
- Members of a credit union have a right to be involved in its organisation.
- Credit unions started in the USA.
- The World Council of Credit Unions is responsible for the regulation of credit unions.
- Credit unions need to improve the technology they use.
- Credit unions can only be found in remote or rural areas.

	T	F	DS
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2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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WRITING

3 Write a short essay on credit unions or similar financial co-operatives in your country. Include the following information:

- the type and number of these organisations;
- the services they offer;
- how they are regulated;
- their popularity with private and business customers.