

HOW ARBUTUS TECHNOLOGY IS CHANGING THE GAME FOR CREDIT UNIONS

The focus on community has always been at the heart of these financial institutions, but as the financial landscape evolves, data has become a crucial tool for staying competitive and meeting member expectations. In the past, basic systems were used to track loans and ensure compliance. Today, advanced analytics provide deeper insights, enabling organizations to take a more proactive approach to service and risk management.

Known Hurdles for Credit Unions

- » **Disconnected Systems:** Minimal Integration Between Systems. Lack of integration across platforms made it harder to derive meaningful insights.
- » **Limited Data Quality:** Ensuring reliable data was often a struggle.
- » **Reactive rather than Proactive Approach** to risk mitigation and member services. In other words, approaching risk after it occurred rather than anticipating issues.
- » **Basic Tools:** Without advanced analytics, credit unions couldn't leverage data to its full potential.



Risk Management and Fraud Detection

Advanced analytics help credit unions manage risks like fraud, loan defaults, and inefficiencies by analyzing historical and real-time data. Future trend analysis identifies potential issues early, enabling proactive risk management.



Elevating Member Services & Experience

Analytics allows credit unions to personalize services, improving member engagement and satisfaction by offering tailored solutions based on member behavior and financial health.



Operational Efficiency & Strategic Decisions

Analytics optimize operations, resource allocation, and strategic decision-making. Real-time dashboards and scenario modeling provide leadership with a clear performance overview for smarter, data-driven choices.

Understand the 6 Key Risk Areas that Impact Long-Term Stability

Financial institutions face strategic risks that can affect their long-term stability. Senior management in areas like Internal Audit, Risk & Compliance, Corporate Security, Credit, Operations, and IT must manage these risks and test controls regularly. Proactive risk management with analytics allows timely interventions, minimizing disruptions and ensuring focus on delivering exceptional service to members.

Member Experience and Segment Risk

Failing to provide a satisfactory member experience or tailor products to meet financial needs, along with an inability to retain and attract members, can lead to membership losses and impact growth and stability. Lack of awareness in member segmentation and demographics can result in financial losses and damage to the institution's reputation. Positive member experiences through effective KYC touchpoints enhance satisfaction, loyalty, and retention, while negative experiences cause attrition and reputational harm.

Credit, Counterparty, and Interest Rate Risk

The risk of a borrower or counterparty failing to meet obligations can lead to financial losses from loans, investments, and other contracts. Interest rate fluctuations also impact the institution's earnings and financial health. Therefore, effective credit risk and interest rate management are crucial for maintaining financial stability.

Regulatory & Compliance Risk

Financial institutions risk legal penalties and reputational damage if they fail to adhere to laws, regulations, policies, and standards. Regulatory and compliance risks are critical considerations, requiring robust compliance management systems, continuous monitoring, and staying updated with regulatory changes.

Operational Risk

Operational risk arises from inefficiencies and failures in internal processes, including system failures, leading to financial losses, penalties, reputational damage, and service disruptions. Effective management requires identifying risks, implementing controls, and continuously monitoring and improving processes.

Capital, Market, and Liquidity Risk

Adverse financial decisions or market conditions can lead to capital losses, and fluctuations in market prices can cause additional losses. Institutions may also struggle to meet short-term obligations if they can't quickly convert assets to cash or obtain funding. Effective capital and liquidity management ensures institutions can withstand financial stress and meet cash needs without compromising stability.

Technology & Cybersecurity Risk

Rapid technological changes can introduce vulnerabilities, leading to disruptions in IT systems and exposing institutions to cyber threats and attacks. These risks can result in financial loss, damage, and reputational harm. Effective management involves robust security measures, continuous monitoring, employee training, and staying updated with the latest cybersecurity practices.

**Are you ready to
transform your
credit union's
operations and
member services?**

Discover how Arbutus Data Analytics Software can help you harness the full potential of your data. Connect with Arbutus' solution engineering team for detailed information on how Arbutus can revolutionize your credit union's data analytics capabilities.

**Learn more about Credit
Union Analytics**

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