

# ANNUAL REPORT

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# FY 2021



# CONTENTS

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1 Board of Directors

2 Internal Auditors and  
Staff of Credit Co-operative

3 Report of the  
Board of Directors



## Board of Directors

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Chairman  
Yeo Chun Fing



Vice Chairman/CEO  
Sanjeev Kumar Tiwari



Secretary/Treasurer  
Tan En Shyang Sean



Asst Secretary  
Katherine Loh (Ms)



Asst Treasurer  
Shawn Pek Teck Siong



Director  
Arshad Bin Ismail



Director  
Chan Kok Wai



Director  
Freddy Tan Hock Nang



Director  
Jefry Bin Mohamad



Director  
Kalaichelvan



Director  
Mohd Samsudin



Director  
Noorfarahin Ahmad (Ms)



Director  
Nicholas Tan



Director  
Noor Shyma (Ms)



Director  
Ng Yanli (Ms)



Director  
Sampath Kamdasamy



Director  
Tan Eng Whee



Director  
Tan Yeong Kang Ken



Director  
Yap Chu Yong



Director  
Derrick Yeo Swee Kiong

# Internal Auditors and Staff of Credit Co-operative

## INTERNAL AUDITORS



Internal Auditor  
Chin Li Li (Ms)



Internal Auditor  
Andy Lim Hock Seng

## STAFF OF THE CO-OPERATIVE



**Standing from left:**  
Ms Humairah Bte Ramlee,  
Ms Lau Li Mei,  
Ms Maybelline Lau,  
Ms Cynthia Seah,  
Ms Kathy Low,  
Ms Christina Tan,  
Ms E Dheveya

**Not in group photo:**  
Ms Norliana Bte Ramli



**Standing from left:** Ms Siti Mariam, Ms Sharon Lim, Ms Vimala, Ms Christine Soon, Ms Jess Low

# **Report of the Board of Directors for FY 2021**

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## **INTRODUCTION**

The Board of Directors is pleased to present the highlights of the AUPE Credit Co-operative Ltd (the Co-operative) for the financial year from 1 Apr 2020 to 31 Mar 2021 (hereinafter referred to as FY 2021).

FY2021 will be remembered as the year where a virus caused a world-wide pandemic. For Singapore, it began with a circuit breaker (lock down) of all non-essential economic activities for two months with gradual partial re-opening over the course of the year. Working from home remained the default for most part of the year. ACC being an essential service was allowed to operate with minimal strength. Even with our on-going efforts to go digital and online for some of our services, we were still very manual in our operations and were quite unprepared for the scale of the pandemic.

The ongoing COVID-19 crisis has further made the financial year a challenging one. As the crisis has created unprecedented uncertainties, it is critical that the Co-operative continues to adapt and innovate on how best to continue providing services to members without any form of disruption. Today, we are proud to share that our members are able to make applications for loans and withdrawals via email, processing and authorising remotely and disbursing of the loans and withdrawals via the bank's Fast And Secured Transfers (FAST). This initiative not only assures the safety of our staff and members but also improves our efficiency and overall productivity.

In line with our digital transformation efforts, we are pleased to report that 6,926 members have activated their Membership Online Portal (MOP) either through the Co-operative website or the AUPE mobile app. They are able to view their account balances, transaction histories and monthly statements. 64.4% of the users who have requested for the withdrawal of their savings, are able to receive their monies deposited into their personal bank accounts on the same day or the next working day via FAST. Moving forward, we are embarking on an enhancement journey to bring forth an even better customer experience.

# **Report of the Board of Directors for FY 2021**

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## **FINANCIAL PERFORMANCE**

### **Income and Surplus**

Investments and loans remain as the key sources of income for the Co-operative.

In this financial year, the investment income was \$ 5,026,836, of which \$ 2,549,690 was achieved by the portion of total assets placed under “Restricted Investment”. Loan income was \$2,271,840, with the rest, amounting to \$190,798 from other sources.

Despite the drastic challenges under the coronavirus pandemic, the Co-operative had managed to attain higher returns from investments. This was achieved by careful re-balancing of the investment portfolio and timely realization of capital gains on disposal of certain investments.

We are delighted to announce that our net surplus before transfer to retained earnings is \$4,646,437. Based on Financial Reporting Standard (FRS) 109, the capital gains from sales of investment in equities and funds of \$1,097,865 are to be captured as retained earnings. After this adjustment, our net surplus of \$3,548,572 is higher than the \$2,677,427 in the last financial year.

### **Restricted Investments (RI)**

The Co-operative’s RI at 31 March 2021 was \$35,996,101. This made up 20.55% of total assets. We took profit on our special mandate portfolio prior to the COVID-19 induced financial market sell off in late March 2020 and was well placed to re-invest in the second quarter as the markets rebound. Still, it was a year fraught with uncertainties. Our disciplined approach in managing the funds helped us to weather the year and in fact did better than the previous two years.

### **Capital Adequacy Ratio (CAR)**

At the close of the financial year, our CAR was at 13.6%. This is 3.6% above the target of 10% by July 2021 set by the Registry of Co-operative Societies (RCS) for Co-operative Societies to pay dividends without the need to seek Registrar’s approval; and 1.6% above the target of 12% for operating in Tier A for unsecured loans.

Due to the situation, the Registrar had granted a further extension for all credit co-operatives to achieve a minimum CAR of 10% by January 2023. However, this has no impact on us as we had exceeded the target owing to our determined efforts over the last decade to build on our institutional capital.

# **Report of the Board of Directors for FY 2021**

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## **Total Assets**

Our total assets are valued at \$175.2m as at 31 Mar 2021. This is \$17.03m higher than FY2020 which was \$158.17m in FY2020. This is due to reduction in loans and increase in members' deposits and retained earnings.

## **Minimum Liquid Assets (MLA)**

As at 31 Mar 2021, Liquid Assets (LA) stood 62%, as compared to 56.4% on 31 March 2020. One of the key reasons for such high LA is that deposits have increased and loans have declined. We need to explore ways to make the deposits work for us.

## **Loans**

The loan business was badly hit by the pandemic. We had difficulty in processing loans during the circuit breaker and subsequent re-opening with work from home as default. People were not encouraged to come to the office. We were not completely ready to operate remotely due to the limitations of the system and processes as well as the lack of proper resources for staff. As we gradually adapted to offer loans remotely, the process was slow. It took us quite some time and effort to reach close to normal operations.

The Co-operative approved 2,545 loans this year, as compared to the 4,143 loans approved last year. The amount of loans granted to members had fallen greatly from \$16,548,144 in FY 2020 to \$11,490,947 in FY 2021.

Overall, the Co-operative had suffered about 30% drop in the loan amount. Besides the operational reasons stated above, the pandemic has also triggered prudence in expenditure, especially with lifestyle activities such as going overseas for holidays, purchasing luxury items and holding extravagant events. Most people retained their jobs because of government support via the Jobs Support Scheme (JSS) for employers. Our members who are mainly from the public sector, remained in service and with 2 tranches of cash handouts which was granted to all citizens, find less reasons to borrow. All these contributed to our poorer loan business.

The Co-operative would be introducing new loan products to meet members' and their family members' needs. We would also look at the larger base of potential members not in the public sector who are union members to address their needs.

## **Dividend**

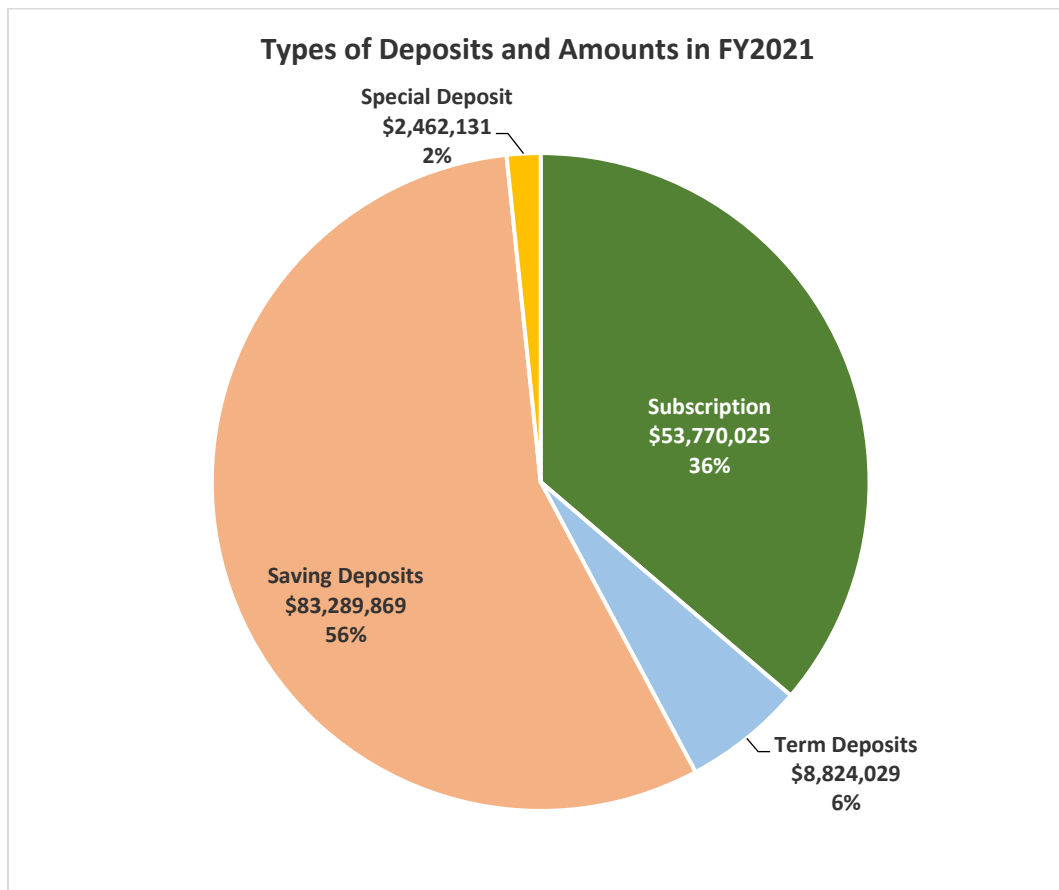
The Board will be recommending for the approval of the AGM on 17 Sep 2021 a dividend of 3% for both subscriptions and shares held by members as at 31 Mar 2021.

# Report of the Board of Directors for FY 2021

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## Members' Total Deposits

In this financial year, the Total Deposits was \$148,346,054 as compared to \$138,803,135 in the last financial year. Please refer to the breakdown of the four types of deposits - Subscriptions, Savings, Term Deposits and Special Deposits.



Although the Subscription has decreased from \$54,784,311 to \$53,770,025 (by -2%), Savings have increased from \$76,271,229 to \$83,289,869 (by +9%), and Term Deposits increased from \$4,965,828 to \$8,824,029 (by +78%). The Special Deposit reduced by 12% with an amount of \$2,781,767 last year and \$2,462,131 this year. Savings has been the Co-operative's competitive edge with the attractive 1% interest rate, as compared to 0.2% to 0.6% p.a. offered by the commercial banks.

## MEMBERSHIP

With a blink of an eye, a year has passed under the pandemic circumstances. Our recruitment and engagements programmes have been restricted to online platforms, mainly our eNews, Facebook, Website and AUPE Mobile App. The Co-operative had launched recruitment promotions like the "\$50 credit into saving account" in 2020 and offering "OTO Back Massager that is worth \$238" in early 2021 for newly sign-up members. We hope to gear up our recruitment campaigns by partnering with other public and private trade unions.



## Report of the Board of Directors for FY 2021

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The total membership stands at 15,996 with ordinary membership at 14,850 and associate membership at 1,146.

### SUPPORTING OUR FOUNDER MEMBER

With effect from January 2021, all the 27 union branches of the AUPE have opened an account with the Co-operative. This enables the branches to maintain branch funds with the Co-operative instead of placing the funds under the branch officials' personal bank accounts. At the same time, it is a convenient and effective way to facilitate crediting of monthly allowances to the branches directly into these accounts, respectively, instead of disbursing in cash. The Co-operative is glad to support this initiative of the union to go cashless.

### BENEFITS

#### Interests and Dividends

The Board had recommended dividend payout on shares and subscriptions of 1.35% in 2019 and 2.0% in 2020. These translated to \$764,785 and \$1,105,760 respectively in 2020. This year, due to continuing good performance, the Board is recommending a dividend of 3%. If approved at the AGM, this will amount to a payout of \$1.63m.

#### Interests and Dividends 2021

Interest & Dividends Paid	Payment made	Amount (\$)	% of surplus
Interest on Term Deposits (0.2 – 1.1 % p.a.)	1 Apr 2020 to 31 Mar 2021	39,668	0.9%
Interest on Saving Deposits (1% p.a.)	1 Apr 2020 to 31 Mar 2021	811,089	17.5%
Interest on Special Deposits (0.25% p.a.)	2021	6,137	0.1%
Dividends on Subscriptions & Shares (2% p.a.)	In Sep 2020 (for FY 2020)	1,105,760	23.8%
<b>Total</b>		<b>1,962,654</b>	<b>42.2%</b>

#### Birthday Gifts

Members appreciated our small annual gesture to thank them for their support on their birthdays. The Co-operative continues to send birthday greetings to all members in their birthday months and invited them to collect their birthday gift, a wireless Bluetooth Speaker from Wisma AUPE. Many of our members, especially those who are working from home were not able to collect their gifts personally, so we have extended the collection until 30 June 2021.

# **Report of the Board of Directors for FY 2021**

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## **Hospitalisation Benefit Scheme**

The Co-operative assist members to defray part of their medical expenses by providing an allowance of \$20 for each day of hospitalisation in Singapore registered hospitals, subject to a maximum of \$5,000 per calendar year and a total limit of \$10,000 for his entire period of membership. The Co-operative paid out a total of 675 hospitalisation claims for a sum of \$81,654 compared to 839 claims for \$90,690 last year.

From August 2020 onwards, both AUPE (Union) and the ACC (Co-operative) have embarked on a 'Combined Hospitalisation Benefit' journey by using a common application form. Those who are both union and co-operative members only require to submit one form together with one set of documents for their claims whenever they are hospitalised. After the claims have been processed, they will receive separate notification on the payment advices. Since then, we had 231 members using this form and we have received very good feedback. The Go-Green initiative is also more convenient as we encourage members to submit their claim forms and documents via emails. Moving forward, members would be able to submit their claims via online portal that we are working on in the near future.

## **Study Grants**

To our members especially to those lower income members, the AUPE Group offers study grants for members' children from \$100 for primary to \$350 for tertiary levels. The Co-operative co-funded the AUPE Group Study Grant with \$40,000. Last year, 362 grants with a total amount of \$68,950 was awarded to our members' children. Due to the pandemic, we were not able to hold any award ceremony. The grants were transferred to the bank accounts of grateful members.

## **ACTIVITIES**

During this period, many physical activities have been cancelled. Despite such situation, the Singapore National Co-operative Federation (SNCF) had organised the following online learning modules to equip our members to cope with the virtual platforms:

- Online Live Sharing Session on Zoom & Adobe Sign on 11th June 2020; and
- Digital Marketing Fundamentals on 7 July 2020.

Some of our members had participated. We hope that the SNCF continue with such learning opportunities for staff and members of co-operatives to be acquainted with the new and emerging tools of work.

# Report of the Board of Directors for FY 2021

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## BOARD OF DIRECTORS

### Meetings and Attendance

Out of the four meetings that were conducted for the Board of Directors (BOD) during this financial year, one is on virtual platform while the Post AGM decisions were circulated via email for the Board's approval. The attendance of the 20 directors is as shown in the table below:

Attendance	BOD Meeting 23 Apr 2020	BOD virtual Meeting 28 Jul 2020	Post AGM Board (via email after AGM) 18 Sep 2020	BOD Meeting 22 Oct 2020	BOD Meeting 26 Jan 2021
Present	19 Directors	19 Directors	-	16 Directors	18 Directors
Absent	1 Director	1 Director	-	4 Directors	2 Directors

### Committees

During the Post AGM via email on 18 Sep 2020, four committees were formed. They were the Thrift & Loan Committee, Investment & Fund Management Committee, Audit Committee and Staff Committee. Their compositions are as shown below:

(a) Thrift & Loan Committee

Mr Yeo Chun Fing	Chairman
Mr Sanjeev Kumar Tiwari	Vice Chairman/CEO
Mr Tan En Shyang	Secretary
Mr Pek Teck Siong	Treasurer
Ms Katherine Loh	Asst Treasurer
Ms Ng Yan Li	Member
Mr Nicholas Tan	Member
Mr Sampath Kamdasamy	Member
Mr Tan Yeong Kang	Member
Mr Yeo Swee Kiong	Member

(b) Investment & Fund Management Committee

Mr Yeo Chun Fing	Chairman
Mr Sanjeev Kumar Tiwari	Vice Chairman/CEO
Mr Tan En Shyang	Secretary/Treasurer
Mr Pek Teck Siong	Asst Treasurer
Mr Yeo Swee Kiong	Director
Mdm Cynthia Seah	Finance Head/CFO

## Report of the Board of Directors for FY 2021

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(c) Audit Committee

Mr Jefry bin Mohamad	Chairman
Mr Nicholas Tan	Member
Mr Arshad Bin Ismail	Member

(d) Staff Committee

Mr Yeo Chun Fing	Chairman
Ms Noor Shyma	Member
Mr Jefry bin Mohamad	Member

### ACKNOWLEDGEMENTS

#### **Appreciation to Registry of Co-operative Societies (RCS), Singapore National Co-operative Federation (SNCF) and Central Co-operative Fund.**

We wish to place on record our special thanks to the Registrar of Co-operative Societies and her staff for their guidance and advice in the amendments of the co-operative's by-laws so that they are aligned with the provisions of the revised Co-operative Societies Act. The amended by-laws were registered on 26 October 2020.

The registry also provided guidance on alternative meeting arrangements imposed by the government during the COVID-19 pandemic. It helped to clarify that credit co-operative operations as essential service, enabling us to operate with partial manpower presence in the premises during the "Circuit Breaker" of two months as well as the phase II re-opening over the next few months. This provided the breathing space for the co-operative to continue operating and serve the members while it transitioned to remote working with minimal disruption.

I would like to thank SNCF colleagues for collating feedback from the co-operatives and their representations to the relevant authorities on behalf of the Co-operative which resulted in the different assistance measures that were rolled out.

Thank you for the organising of the learning modules over the webinar equipping our members to better cope with the virtual platforms.

I would also like to extend my appreciation to the Central Co-operative Fund (CCF) Committee for the support package extended to all the co-operatives. These included the waiver of the first tier CCF contribution of \$25,000 (5% of the first-tier surplus of \$500,000) and a special grant of \$2,000. The enhanced CCF Grant framework also helped us defrayed the cost incurred in buying laptops for staff to work from home as well as other infrastructure and capability developments.

## **Report of the Board of Directors for FY 2021**

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### **Management and Staff**

There is another group of people who have been working tirelessly in handling the day-to-day operations that have been challenging during this pandemic. They are the management and in particular, the staff of the Co-operative who suddenly had to adapt to working from home with inadequate tools even as we boost our capabilities. The fact that we continue to receive compliments from members showed that they had risen to the challenge.

### **Members**

Last but not least, special thanks to all our members for your trust, loyalty and steadfast support to the Co-operative with your savings. To operate in this new normal, we seek your patience as we adapt to new ways of providing a better customer service and experience for the benefits of all members for a brighter future.

**YEO CHUN FING  
CHAIRMAN  
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

