



**U BANK**  
มหาวิทยาลัยธนาคารแห่งประเทศไทย

## Klongchan Credit Union Limited

And its Best Practices and Models of Success


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### External factor to consider

- Is the people participation that could help for the success of organization

### 3 parts of guidelines


- Discuss how fast the banking experience is being redefined for members, driving the need for credit unions to reassess their business models.
- Discuss the use of traditional measures of success, including the latest financial Status of organization.
- Examine the characteristics of today's highly successful credit union.

The organization reflects generally on the leader

Leader's vision, "have global mind set"

- ✓ Flexibility and adaptability
- ✓ Management of strategic change
- ✓ Strong members orientation
- ✓ Empowerment of others

Leaders' must also have a vision of people's heart



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### Culture of Crew Pine

- It is called **"Organizational Structure"** where every organization can use, practice and apply as directed and could help for managing the success of CU.
- Culture is often used to determine the direction of the organization than the use of rules.
- Culture is flexible and always developing.

### 3 points of Success should be developed:

- members
- Officers
- Committees

Based on the philosophy of CUs 'everybody uses goodness to help develop the organization and reduces the conflict'.

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- We must have distinct aim to succeed.
- We do not simply work, we observed our own habits and that of others whether habits can control mind or mind controls our body.

### 2 Principles in Life

#### Goals

#### Aims

- The first home is our aim which everyone wants to have a good family and live happily with honor and dignity and these will succeed by having enough income to support family that comes from good works.
- The second home is our goal of works that could protect our family by our accomplishments/achievements into prosperity.





## Four Virtues of Happiness and success in line of work

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### 1. Respect

have to be polite and gentle

Consider their knowledge and views as well as their own ways and so our own.

### 2. Tolerance

Key factor in working successfully in different field of work.

### 3. Discipline

An operating system and rules which include resolution and commitment to maintain public and personal behavior according to the law and morality

### 4. Teamwork

Everyone is ready to coordinate and willingly shares responsibility to attain a common goal without creating any dispute.  
Not exploiting everyone.

## Philosophy of Credit Union



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### • Brief History :

- **1983:** Organized CU with 22 members and total share of 1,260 baht. CU did not have its own office and was operated by volunteers.
- **1984:** CU office located at Flat No.17
- **1986:** CU moved to Flat No. 16 and registered under the cooperatives law.

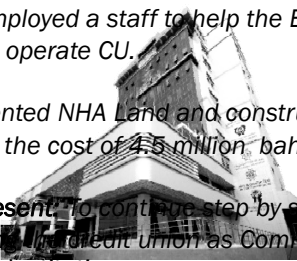


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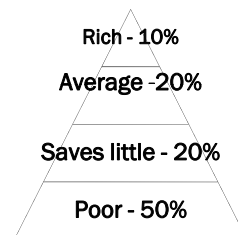
**1987:** Employed a staff to help the Board of Directors operate CU.

**1997:** Rented NHA Land and constructed CU office for the cost of 4.5 million baht.

**1999-Present:** To continue step by step in developing the credit union as Community Based Financial Institution.



## Four levels of people in the society



### Two Theories of people

1. The rich people must help those who save little w/o fear if their money runs out.
2. People who collected less money will not be disgraced.



## ABC Leadership Theory

Positive attitude

Positive behavior

Positive character



0 1 2 3 4 5 6 7 8 9 10



## Benefits of Positive Attitude in the Workplace

- Less stress
- Happy Looks
- Job security
- Boundaries
- Empowerment
- Control





### Positive Behavior

- Is a must in interactions and motivation of individual within the organization.
- Board of Directors/Personnel must not involve in gambling and they must be highly responsible.



## Positive Character



## Staff motivation and disciplining teamwork



- Team building approach
- Employee empowerment
- Employee involvement



## 12 Cs for successful teamwork

1. Clear expectation
2. Context (perspective)
3. Commitment
4. Competence
5. Charter
6. Control
7. Collaboration (relationship)
8. Communication
9. Creative innovation (improvement)
10. Consequences
11. Coordination
12. Culture exchanges



## Employee Involvement



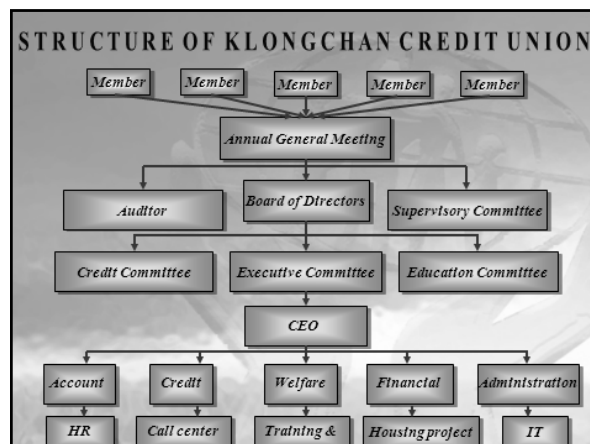
- Is important in the success of the organization
- We are in the cooperative that values people as our most important asset, the asset that sets you apart from your competitors



## Klongchan operated based on the 7 Principles

1. Open and voluntary membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community





## Products and Services

- Share
- Savings
- Loan
- Welfares
- Insurance







## SHARE CAPITAL

**PRODUCT : SHARE CAPITAL**

**: RETURN OF INVESTMENT WITH HIGHER RATE**

**NOT OVER THAN 10 %, BASE ON YEARLY PROFIT OF THE COOPERATIVE**

**MINIMUM DEPOSIT: BAHT 100.- / MONTHLY**

## SAVINGS ACCOUNT

**PRODUCT : SAVING ACCOUNT**

**INTEREST RATE: 2% PER YEAR, HIGHER THAN MARKET RATE**

**MARKET RATE**

**MINIMUM DEPOSIT : BHT. 100.-**

**NEW MEMBER SHOULD OPEN THIS ACCOUNT**





## SPECIAL SAVINGS ACCOUNT

**PRODUCT NAME: SPECIAL SAVING ACCOUNT**

**DEPOSIT : BHT. 1,000.- 500,000.- INTEREST RATE: 3% PER YEAR,**

**DEPOSIT : BHT. 501,000.- 1,000,000.- INTEREST RATE: 4% PER YEAR**

**DEPOSIT : BHT. 1,001,000.- 1,000,000.- INTEREST RATE: 5.5% PER YEAR**

## LOAN PRODUCTS

Product Name: Emergency Loan  
Interest rate: 12%  
Maximum Loan: 10,000.00 Baht  
Maximum term: 5 months

## LOAN PRODUCTS

Product Name: Regular Loan  
Interest rate: 12%  
Maximum Loan: 100,000 Baht or three times of share capital.  
Maximum Term: 36 months  
Condition: 2 members guarantees

## LOAN PRODUCTS

Product Name: Special loan  
Interest rate: 12%  
Maximum Loan: 1,000,000 baht or ten times of share capital or 80% of real estate valuate.  
Maximum term: 180 months  
Condition: Real estate guarantee

## LOAN PRODUCTS

Product Name: Housing Loan  
Interest rate: 11.5%  
Maximum loan: 5,000,000 baht or ten times of share capital or 80% of real estate valuate.  
Maximum term: 240 months  
Condition: Real estate guarantee



## WELFARE SERVICES

Welfare Name: Loan Protection(sokor1)  
Benefit: In case of death or disabilities they do not have to pay the balance if does not exceed 500,000 baht  
Condition: must pass CU' s course.  
must have a good membership



## WELFARE SERVICES

Welfare Name: Life saving(sorkor2)  
Benefit: In the event of members death, CU will pay the beneficiaries equivalent to the amount of share not exceeding 300,000 baht.  
Condition:  
members passed CU' s course  
must have a good performance members.



## WELFARE SERVICES

Welfare Name: Senior Mutual(sorwor2)

**Benefit:** allowing members to have some money to spend when they're retire in later life.

**Condition:**

Members should pay 60 baht/month from the age of 56 until 69.

## WELFARE SERVICES

Assistant fund Welfare

**Benefit:** assist insolvent guarantors in refinancing delinquent loans as protection against losses.

**Condition:**

Both loaner & guarantor should pay 20 baht/month up to baht 2000.00



## WELFARE SERVICES

Welfare Name: General Welfare

**Benefit:** CU will donate Bht.500 to member for:

- Wedding
- Giving birth
- Monk ordination

**Conditions:**

Members who had joined Sorwor1 can avail this privilege.

## INSURANCE SERVICES

SAHASINPITUK PROGRAM

**Benefit:** In case of death and disabilities members will receive financial assistance from U LIFE insurance, their families will claim Bht. 100,000.

**Condition:**

Member should pay insurance premium 500 baht per year

## INSURANCE SERVICES

Accident Insurance Program

**Benefit:** families will claim Baht 100, in the event of death formed by accident or disabilities.

**Condition:**

Members should pay 120 Baht/year as premium payment.

## ANNUAL OPERATION

years	2007	2008	2009	2010	2011
<b>MEMBERS</b>	6,895	48,157	46,306	49,359	53,168
<b>TOTAL ASSET</b>	2,217,327,755.58	5,232,142,592.40	11,930,568,637.51	17,469,166,399.99	18,983,310,132.71
<b>LOAN</b>	1,804,630,650.32	3,850,241,403.86	6,391,621,346.59	6,905,818,476.09	123,738,634.00
<b>DEPOSIT</b>	1,519,747,894.38	3,089,924,908.68	8,179,887,284.36	11,725,606,812.79	12,259,333,806.00
<b>CAPITAL SHARE</b>	529,227,310.00	882,552,420.00	1,374,477,900.00	2,118,251,060.00	2,744,715,530.00
<b>RESERVE FUND</b>	42,807,900.39	51,082,639.82	74,367,389.10	92,924,904.65	126,670,278.93
<b>REVENUES</b>	145,695,282.08	336,886,140.65	593,231,028.82	1,090,548,671.85	777,085,813.20
<b>EXPENSES</b>	87,906,316.82	225,225,199.40	445,058,932.12	868,430,566.56	542,682,108.49



- Kind hearts are the garden.
- Kind thoughts are the roots.
- Kind words are the blossoms.
- Kind deeds are the fruits.

