

# Building Asian Credit Union Strength by Putting People First.



ASSOCIATION OF ASIAN  
CONFEDERATION OF CREDIT UNIONS  
2007/2008 ANNUAL REPORT



**Working at regional level,**



**we build long-term and**

**practical solutions for the**



**growth & competitiveness of  
Asian credit unions.**

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# President's Message.

I am very pleased to serve as President of ACCU. From five founding members, ACCU has grown as the only membership based organization for credit unions and financial cooperatives in Asia. Today, we are a regional organization for credit unions of more than 45.3 million individual members from 56,030 credit unions in 20 countries in Asia.

Developing as a major trade and development organization for credit unions, ACCU has also worked to preserve and strengthen our roots. In this 37<sup>th</sup> year of our existence, we honor those leaders in the past who saw the credit union's vision in those early years and invested so much to make it a reality.

Looking forward, we see an increasing role for ACCU in Asia as we expand the influence of our services in developing countries and countries in transition. The Asian Credit Union Road Map for 2004-2009 has a remaining one-year term. The management will be providing you of the updated milestones in this annual report. Most importantly, as we are nearly completing the implementation of the plan, the Board is preparing for the next five years plan.

The Board firmly recognize our critical responsibility for setting the direction of the Asian credit union system with the guidance of members. We consider the direction we are setting is just merely the interpretation of members' aspirations and response to the challenges faced by credit unions in the rapid changing market environment.

The Board will think innovatively about how credit unions can create sustainable business value. ACCU will search for synergies and explore achievements that are possible at organizational level through partnerships with members and the development of entirely new growth opportunities for credit unions.

Lastly, we need your bold leadership for our future development strategy, involve all levels of our organization in its execution, innovate outside-of-the- box interventions to imbed our strategy into the daily fabric of our operation so that, together, we can achieve larger goals.

We thank all our members and partners who unselfishly support and cooperate with ACCU all through these years.

Thank you.



A handwritten signature in black ink, appearing to read 'Oh-man Kwon'.

Oh-man Kwon  
President



# CEO's Report.

In partnership with members, we have worked hard to successfully leverage our core strengths to create sustainable growth for credit unions in Asia. The team members of ACCU and member organizations have executed our strategies and achieved major milestones. ACCU now represents 45.3 million individual members from 56,030 credit unions in 20 countries.

This year, I am proud to report that our concerted focus on solutions development has strengthened the foundation for credit union growth and competitiveness. In today's environment, being good is not enough. Credit unions need to offer excellent service. In the last decade, ACCU has been working hard to bridge the gaps in credit union performance. Fourteen credit union solutions are now available for members. More than 100 credit union professionals have been trained to use the credit union solutions that will serve as tools to respond to the challenges faced by credit unions. Some examples of the credit union solutions are the Directors and CEOs Competency Courses (CUDCC and CUCCC), ACCESS Branding and others. We have started stepping up, as we developed the Credit Union Risk Based Supervision and Stabilization Fund that will embark upon protecting the interest of credit union members.

The ongoing relevance of ACCU continues to be founded on our values. Strengthening our long-term membership relationships through our high-value services makes up our first foundation. We grow from that foundation by adding value to our existing members. We stretch our team's imagination and resourcefulness to offer up to date management solutions to modernize credit union operations. Building on our relationships with our long-term development partners and building our own internal capital are focused to ensure the continuity of our services to Asian credit unions. ACCU's long-term financial objective is to build the Reserve Fund to a level where it can generate income sufficient to cover our trade and development missions.

Both leaders and professionals need to be highly skilled and passionate about ensuring credit unions are world-class financial service provider to their members. Though people are the most important assets of the credit union, we should not forget to institutionalize policies and systems for world-class standards of operation and sound business practices so that even people change, the same quality of operation is practiced.

I would like to thank my team members, the members of Asian Leaders and Managers Institute, CEOs of member organizations for their continued dedication to identifying, implementing and driving the opportunities that create our sustained growth and strong member value. We convey our heartfelt thanks to the Board of Directors of ACCU for providing strategic and policy direction. Our thanks to the Board of Directors of member organizations for supporting every initiative of ACCU.

Thank you.



Ranjith Hettiarachchi  
Chief Executive Officer



## Measuring up the Achievements Strategic Plan 2004-2009

### Financial Perspective

Strategic Objective	Performance Measure
<p><b>Safety and soundness of established credit unions.</b></p> <p><b>Strategy:</b> Standardization and monitoring strategy</p> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Advocacy to credit union regulators</li> <li>• Development of standards and policies for self-regulation</li> </ul>	<p><b><i>Credit Union Movement Growth in 2007 as compared with 2006</i></b></p> <ul style="list-style-type: none"> <li>• Assets - 8.5 % (USD 64.9 billion)</li> <li>• Savings and Shares - 10.5 % (USD 58 billion)</li> <li>• Loans Outstanding - 1.3 % (USD 39.2 billion)</li> </ul>

### Member-Customer Perspective

Strategic Objective	Performance Measure
<p><b>Image building by demonstrating the credit union difference.</b></p> <p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Need based and competitively priced products &amp; services</li> <li>• Customer Relationship Management</li> <li>• Repositioning Strategy as Trusted Wealth Creation Advisor for members</li> <li>• Reaching Out</li> <li>• Market Segment Targeting</li> </ul> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Developing tools &amp; credit union solutions</li> <li>• Marketing credit unions</li> </ul>	<p><b><i>Credit Union Movement Growth in 2007 as compared with 2006</i></b></p> <ul style="list-style-type: none"> <li>• Individual Members of credit unions - 30 % ( 45.3 million)</li> <li>• Number of credit unions - 14 % (56,030 credit unions)</li> </ul> <p><b><i>Credit Union Solutions Developed</i></b></p> <ul style="list-style-type: none"> <li>• No. 2 - Business Development Center Operations Manual</li> <li>• No. 5 - Credit Union Promotion Manual</li> <li>• No. 7- Credit Union Microfinance Innovation (CUMI) Manual</li> <li>• No. 8 - Tools on Poverty Alleviation Impact Assessment</li> <li>• No. 9 - CU Marketing to Youth</li> <li>• No. 13 - Credit Union Product Catalogue</li> </ul>



## Three Goals:

### *Movement Growth; Competitiveness & Sustainability*

Internal Business Processes Perspective	Strategic Objective	Performance Measure
	<p><b>Credit union excellence in service and soundness</b></p> <p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Branding</li> <li>• Connectivity and convenience</li> </ul> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Formulate and communicate credit union tools &amp; solutions</li> <li>• Forging and facilitating partnership with reputable IT players in the market</li> <li>• Execute and study credit union best practices</li> <li>• Equip trainers of members organizations</li> </ul>	<p><b>Credit Union Solutions Developed</b></p> <ul style="list-style-type: none"> <li>• CU Solution 1 - Management Tools (Credit Union Policies)</li> <li>• CU Solution 3 - ACCESS Brand Diagnostic Tool</li> <li>• CU Solution 10 - Credit Union Governance Checklist</li> <li>• CU Solution 11 - Manual on Credit Union Risk Based Supervision Service</li> <li>• CU Solution 12 - ACCESS Auditor's Manual</li> </ul> <p><b>Future Actions:</b></p> <ul style="list-style-type: none"> <li>• Establishing Brand Department at the national federation</li> <li>• Branding pilot credit unions</li> </ul>
Knowledge & Learning Perspective	Strategic Objective	Performance Measure
	<p><b>Optimize people resources</b></p> <p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Changing Leadership Competencies</li> </ul> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Formulate and communicate credit union competency skills for volunteers and professionals</li> <li>• Develop competence profiles required for volunteers and general managers of credit unions</li> <li>• Train the trainers</li> <li>• Provide opportunity for advance training to build the competitive advantage of credit unions based on knowledge, skills, and capabilities of its people.</li> </ul>	<p><b>Credit Union Solutions Developed</b></p> <ul style="list-style-type: none"> <li>• CU Solution 4 - Credit Union Directors Competency Course (CUDCC)</li> <li>• CU Solution 6 - Credit Union CEOs Competency Manual (CUCCC)</li> <li>• CU Solution 14 - Credit Union Directors Toolkit</li> </ul> <p><b>Training Opportunities</b></p> <ul style="list-style-type: none"> <li>• Annual Asian Credit Union Forum</li> <li>• Asian Development Education Program</li> <li>• South-Asia Sub-Regional Program</li> <li>• Exposure Programs in Korea, Taiwan, and Thailand</li> </ul>





## Reaching Out

Credit unions are unique in the financial sector; they are in the business to help people improve their lives through realizing their financial goals. The credit union provides the vehicle; the members use it to arrive at their financial destination.



## CAMBODIA

ACCU technical assistance to the promotion of credit unions in Cambodia started in 1998. The Cambodian Community Savings Federation was established and now has an affiliation of 37 Savings Banks (credit unions) with 29,672 individual members in Battambang province. ACCU is continuing to support the Socio-Economic Development Organization of Cambodia (SEDOC) to transform its self-help groups into full pledged Community Based Financial Institutions (CBFIs). ACCU provided technical assistance to SEDOC through training and exposure visit to credit unions in Thailand.

## LAOS

ACCU began the promotion of credit unions in Lao PDR in 1992 and has established collaboration with the Provincial Government of Luang Prabang to promote and strengthen credit unions. Forty-seven savings and credit associations have reached 3,399 members who saved US\$ 69,185. Strengthening these associations into full pledged credit unions will be the focus of the future development work in Lao PDR.

## MONGOLIA

After the turbulent experience of the credit union movement of Mongolia in 2006, the Mongolian Confederation of Credit Unions faces a new beginning. ACCU supports the revived MOCCU to put in place relevant services most needed by SCUs. ACCU introduced the credit union solutions on its mission on November 7-13, 2008. MOCCU will integrate the credit unions solutions to its services to consolidate and strengthen the movement. ACCU has committed time and resources to continue its technical assistance to MOCCU.

## TIMOR LESTE

In the midst of political turmoil, rebellion and violence, people of Timor Leste find optimism in rebuilding their lives and communities through the credit union. In collaboration with the Ministry of Development and Economy of Timor Leste, ACCU carried out a fact-finding mission on December 14-23, 2007 aimed at preparing a program to rehabilitate and strengthen credit unions. With the support of the Credit Union Foundation Australia, a Financial Management Training was organized on February 4-9, 2008. Credit unions can present Timorese an opportunity for capital access to start livelihood and rebuild wealth. ACCU has also seen credit unions as vehicles to promote peace and unity.

Marketing the credit union to countries in transition and underserved market is a demonstration of ACCU commitment of providing opportunity for people to fulfill their financial destinations.



# Reaching Out

**MICROFINANCE** was first practiced by credit unions in the mid 1800s in Europe. Credit unions were born out of miserable economic conditions and the realization that disadvantaged people would have to take action themselves through the establishment of self-sustaining and self-help financial services. Credit unions grew and paved their way in Asian countries, the home of the poorest people in the world and should thrive and prove their relevance in helping poor people help themselves.



The outreach of credit unions in the poor market segment is insignificant compared with the large number of potential poor members. ACCU is constantly examining whether Asian credit unions are adhering to their original mission to improve people's well-being through the provision of affordable financial services specially those who do not have access to them.

In 1994, ACCU and its members defined the need for credit unions to refocus its services on the poor market segment. The product introduced by ACCU in 1999 named Credit Union Microfinance Innovation (CUMI) is a sustainable provision of financial services to the poor market segment. Wealth building savings, affordable terms on loans, education on thrift, entrepreneurship, and credit union involvement in the financial lives of members, focused on their long-term well-being are the advantages CUMI offers to the low-income poor. CUMI aims to integrate low-income members into the mainstream of society.

## THE SAVINGS DIFFERENCE:

*Savings is a matter of amount; but a matter of how frequently made. A small savings made everyday, can make a big difference tomorrow - CUMI approach on poverty alleviation.*

CUMI has considerably increased credit unions' responsiveness and care of the financial needs of people belonging to the poor market segment. Seven credit union movements namely Bangladesh, Cambodia, Indonesia, Nepal, the Philippines, Sri Lanka and Vietnam have successfully adopted CUMI reaching 208,021 members in 465 credit unions saving US\$ 4.8 million based on June 30, 2008 data. In addition to the direct impact in the pilot projects, our national federations have replicated CUMI,





becoming part of their regular programming. Based on the 2007 statistics, credit unions in 12 developing nations in Asia have poor outreach of 5.8 million members in 42,347 credit unions.

#### **WOMEN EMPOWERMENT THROUGH CUMI**

Since more than 80% of CUMI members are women, ACCU has been very much concerned on the viability of their enterprises leading to their economic, political and social empowerment. Women gaining access to market; maximizing the use of local materials for global market; obtaining market information; taking advantage of forward and backward linkages; producing fashionable local products are only some of the benefits the center delivers to the entrepreneurial poor. The Business Development Center (BDC) initiated by the Credit Union League of Thailand (CULT) serves as an action research initiative for Asia. ACCU has started our support to CULT in developing the website for women entrepreneurs' e-commerce called E-Coop Mall. The women will have the opportunity to sell products that have reached global market acceptability.

ACCU prepared a policy framework for Gender Mainstreaming in Credit Unions based on the recommendation of the Women Regional Workshop held in Bali on September 17-19, 2007. It will serve as guide for member organizations in developing their own policy on gender.

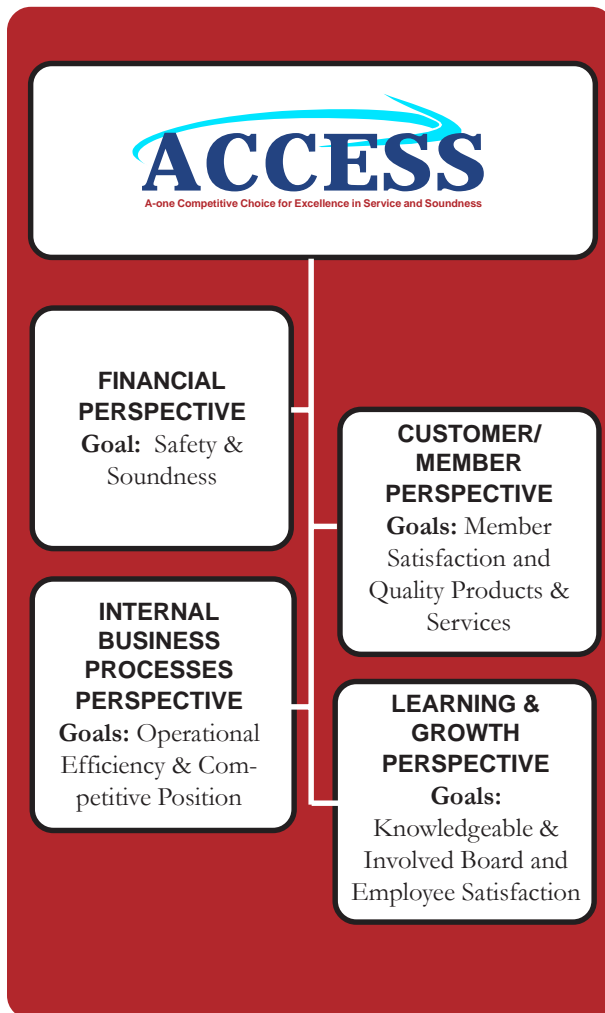
#### **POLITICAL EMPOWERMENT:**

*Hundreds of women exercise their privilege in taking governance decisions for their credit union at the Annual General Meeting of Bindhavasini SACCOS in Nepal, February 2008*



# Asian Credit Union Branding

Central to ACCU's role is an endless imagination of technical and management innovation to keep the credit union relevance. ACCU develops ACCESS Brand adopting sound business practices and ensures that ACCESS keeps up with changes in market environment and the complex situation in credit union operations.



ACCESS brand will define the role of the Asian Credit Union Movement as a new leader in the Financial Service Sector – a strategy recognized by all members of the Association of Asian Confederation of Credit Unions (ACCU). It will promote those characteristics that differentiate credit unions from other financial institutions in the marketplace.

ACCESS will also communicate the credit union capabilities to a broad national audience that does not realize how closely attuned their values are with those of credit unions. Most importantly, credit union operation will turn around into a dynamic and creative cooperative financial institution.

ACCESS - A1 Competitive Choice for Excellence in Service and Soundness will arm the credit union with the critical insight they need to build the optimal organization wide quality assurance strategy. It will show how returns from a well-managed credit union can be greater than those of any other business activity.

The propriety diagnostic tool of ACCESS, quantifies brand power in both a competitive and historical context. It identifies 86 key opportunities (standards) for building a dynamic and well-managed credit union.



ACCU trusts that ACCESS will serve as management system that can channel the energies, abilities, and specific knowledge held by people in credit unions toward achieving long-term strategic goals. Achieving every indicator will build long-range competitive capabilities, value and differentiation of credit unions in the marketplace.

Based on the Balanced Scorecard, the following four perspectives are adopted by ACCESS: Financial perspective, Customer Perspective, Internal Business Processes Perspective and Learning & Growth Perspective.

During the reporting year, ACCU has closely worked on ACCESS accreditation with 11 credit unions in the Philippines and Nepal in partnership with the Philippine Federation of Credit Cooperatives, National Confederation of Cooperatives and Nepal Federation of Savings and Credit Cooperatives.

The ACCESS Diagnostic Tool (CU Solution 3) and the ACCESS Auditors Systems and Procedures Manual (CU Solution 11) are resources available for members. The Audit Manual establishes guidelines on general standards, ethical considerations, reporting and documentation by ACCESS Brand Auditors.

## ACCESS SCORECARD

Perspectives	No. of Indicators	Equivalent Score (4 pts.)	%
Finance	13	52	40
Customer/Member	27	108	20
Internal Business Processes	26	104	20
Learning & Growth	20	80	20
<b>Total</b>	<b>86</b>	<b>344</b>	<b>100</b>

ACCU is building the members technical skills in implementing ACCESS Branding through training and actual diagnosis. Thirty Master Auditors were trained in 2007 plus replication training in member organizations. The HRD workshop held in Bali, Indonesia on September 17-19, 2007 trained 59 technical staff of member organizations on ACCESS Branding.

## ACCESS CERTIFICATION

	Score	Equivalent % *
Bronze	207 - 241	60 -70%
Silver	242 - 275	71 - 80%
Gold	276 - 310	81 - 90%
Platinum	above 310	above 90%

\* provided no percentage lower than 50% in any perspective



## Changing Leadership Competencies

**Business Trends and Strategy Drive New Leadership Competencies:** The rise of competition caused by the knowledge economy and globalization will bring significant changes in the leadership strategies for credit unions.

ACCU recognizes that leadership competencies are skills and behaviors that contribute to superior performance of a credit union. By using a competency-based approach to leadership, credit unions can better identify and develop their next generation of leaders. The changing leadership competency strategy in the ACCU Road Map ensures competencies of key people in credit unions are attuned as the future business trends and strategy change. While some leadership competencies are essential to all credit unions, leadership competencies attributed to each credit union are distinctive which should be defined to create competitive advantage.

**Asian Credit Union Forum:** 347 Credit union leaders and professionals in 23 Asian countries explore unique solutions, new ideas and changes required to the challenges brought by changing market environment. The Forum had provided inputs in the development of the 14 Credit Union Solution series now available to Asian Credit Union system.

**Development Education:** 295 Development Educators (DEs) graduated in the 10 Asian Development Education workshops organized by ACCU since 1999. The Development Education Program provides Asian credit union movement with a larger base of professionally skilled volunteers and professionals who can actively promote the unique role of credit unions by communicating cooperative principles to both member and non-member groups.

**Exposure Programs:** To afford wider opportunities for learning, ACCU continued to forge partnership with the





National Credit Union Federation of Korea, Philippine Federation of Credit Cooperatives, Credit Union League of Thailand, and Credit Union League of the Republic of China in organizing exposure programs for Asian credit union leaders. In addition, the Nepal Federation of Savings and Credit Cooperative Unions and The Cooperative Credit Union League of Bangladesh established their Friendship Exposure Program. The exchange of experience had served as an inspiration to create a bold vision for the participating leaders.

#### **Credit Union Directors and CEOs Competency Course**

(CUDCC and CUCCC): The program ensures that elected leaders and CEOs of credit unions are competent in carrying out responsibilities. ACCU developed the CUDCC and CUCCC Trainers Manual considering the diversity of educational background, experience, and culture in Asia. The course combines elements of pre and post-course projects, presentation, group discussion, case study examination and team

exercises. Since introduction in 2005, members have trained 757 Directors and 198 CEOs of 384 credit unions in the Philippines, Thailand and Bangladesh.

**South Asia Sub-Regional Conference:** ACCU and USC-Nepal continues to demonstrate commitment to promote savings and credit cooperatives as sustainable approach to poverty alleviation. The conference aims to market the credit union model to NGOs/MFIs working in rural communities in South Asia.

**Regional HRD Workshop:** Focus on new competency and skill development for HRD officers of member organizations.

**CEOs Workshop and Exposure:** is designed to keep the CEOs of member organizations abreast on the new management trends and market changes. During this reporting period, ACCU organized study visits for CEOs in Canada and Korea.

# Platforms for Learning

Credit union's success is based on the competencies of their people; especially it is the most important source of competitive advantage. ACCU provides platforms for credit union leaders and professionals to cultivate their talents and knowledge. People are the most valued assets in the credit union and it is important that one's potential is put to maximum use for members. The following are learning opportunities ACCU offered in the year 2007/2008:

Programs in 2007/2008	Strategic Objective	Milestones
<b>EXPOSURE PROGRAMS</b>		
Philippine Federation of Credit Cooperatives, November 28 to December 4, 2007	To develop the availability of leaders at all levels to inspire their credit unions toward a clear vision and bold strategy.	4 leaders and professionals gain broader perspectives of credit union role in poverty alleviation.
CEOs Exposure in Canada, November 12-21, 2007		Four CEOs acquire knowledge on how to charter the future direction of the Asian credit union movement.
2nd Credit Union League of Thailand Exposure Program, February 21-27, 2008		26 participants from 8 countries to introduce Business Development Center for small entrepreneurs in credit unions.
22nd National Credit Union Federation of Korea Exposure Program, April 28-May 3, 2008		13 participants from 8 countries learn the development know-how and management methods of NACUFOK.
CEOs Exposure Program in NACUFOK, March 25-27, 2008		12 CEOs/senior staff of members plans to introduce Stabilization Fund, ethical management & supervision.
NEFSCUN & CCULB Mutual Exposure Program, May 21-28, 2008		15 delegates from Bangladesh participated in exposure visits to Nepal.





Programs in 2007/2008	Strategic Objective	Milestones
<b>REGIONAL PROGRAMS</b>		
18th Asian Credit Union Forum on Recreating Credit Union Superior Value in Bali, Indonesia on September 20-22, 2007	To increase leaders and professionals' awareness on the current issues that affect credit union growth and sustainability, and consequently become aware of solutions to cope with the challenges posed to credit unions.	Attended by 347 participants from 23 countries, the forum endorsed the Credit Union Directors and CEOs Competency Courses, ACCESS, Stabilization Fund and adoption of sound business practices in credit unions.
Human Resource Workshop on ACCESS Branding on September 17-19, 2007 in Bali, Indonesia	To sharpen and update the knowledge of HRD officers at national federations on sound business practices for credit unions.	42 professionals commit to introduce the Credit Union Solutions developed by ACCU
Women and Youth Workshop on September 17-19, 2007 in Bali, Indonesia	To develop programs and strategies to increase women and youth participation in credit unions.	29 youth & 41 women presented recommendations to increase youth and women participation.
CEOs Workshop on Building the CEOs Toolkit to Achieve First-Rate Performance, September 17-19, 2007 in Bali, Indonesia	To sharpen and update the knowledge of CEOs on sound business practices as solution to current issues and problems of credit unions.	Inputs for new credit union solutions provided i.e. Risk Based Supervision, Stabilization Fund and Governance Framework.
South Asia Sub-Regional Workshop on Savings & Credit Cooperatives and Sustainable Development on February 6-8, 2008 in Nepal.	To share the best practices of credit unions in reaching the bottom line population through the self-help and mutual help approach.	35 participants from INGO, NGOs, and credit unions turned advocates of credit unions.
10th Asian Development Education Workshop, June 8-12, 2008 in Bangkok, Thailand	To develop a larger base of professionally skilled volunteers and professionals, who can actively promote the unique role of credit unions, by communicating cooperative principles to both member and non-member groups.	33 Development Educators join the ranks. (now 295). The DEs turned advocates build competencies and set high standards for their respective credit unions and movement.
Regional CUDCC and CUCCC on December 3-10, 2007 and June 13-18, 2008 in Bangkok, Thailand	To ensure that elected credit union Directors and appointed CEOs are competent in carrying out responsibilities.	23 Board of Directors and 23 CEOs of credit unions acquire competence in running the credit union effectively.



# Credit Union Monitoring & Standardization

Significant milestones have been achieved in this line of work as ACCU is building up policies, mechanisms and systems for the good governance of credit unions in Asia.

## INTERNAL REGULATION

**Credit Union Management Tools:** The comprehensive operations policy manual for credit unions developed by ACCU in 2004 has been evolving based on the implementation experience of member organizations. The manual published in 2005 as Credit Union Solution Series No. 1, was distributed to all member organizations, which would allow a broader impact on the standardization of the operating systems and procedures of credit unions across Asia. The tools cover areas on: Governance; products and services; human resource; financial & credit management; and planning. A new version of the tools will be made available to members in 2009.

**Credit Union Governance Framework:** The Credit Union Governance Guidelines summarizes the governance processes and guidelines to assist credit union Boards in following practices that serve the best interests of the credit union and its stakeholders. The first draft of the framework is developed and will be made available to members by end of 2008.

**Web Based Benchmarking Service:** The benchmarking service is based on information submitted by each credit union. It is comprised of key financial measures presented under the PEARLS framework. The service provides timely assessment and reporting to assist credit union Board of Directors and management to develop strategies to optimize performance and to address areas where performance is below standard, thereby limiting the potential risk depositors and shareholders and improving the credit union's competitiveness and sustainability. The service is available at [www.aaccu.coop](http://www.aaccu.coop)

## Credit Union Risk Based Supervision

**System:** Recognizing that the credit union system should initiate the in-system protection measures, ACCU develops the Credit Union Risk Based Supervision Service (CURBSS) as Credit Union



Solution No. 11. CURBSS intends to carry out review of the status of risk management architecture and initiate measures to bridge the gaps. Effective Risk Management is the hallmark of successful financial institutions like credit unions. The basic objective of the process is to identify as efficiently as possible the areas of credit union operation that present the greatest financial risk to its continued viability. CURBSS manual will be reviewed with select members of the technical working group and will be presented to the HRD Workshop on September 2009.

## EXTERNAL REGULATION

**Regulators Conference:** ACCU has organized three conferences in 2003, 2005 and 2007. After the 2007 conference, the regulators themselves decide to establish a Forum for Asian Cooperative Regulators as platform to share experience, best practices and challenges on regulatory practices. ACCU serves as the secretariat for the Forum. As a follow-through, ACCU facilitated the PEARLS training for the supervisors of the Department of Cooperatives in Nepal on February 10-11, 2008. The department has incorporated the establishment of Stabilization Fund for credit cooperatives and proposed a separate credit union law. The 4<sup>th</sup> Regulators Conference is planned in 2009.

The objective of Credit Union Monitoring and Standardization strategy is to promote the safety and soundness of Asian credit union system and encouraging credit unions to fulfill their social responsibly in guaranteeing its financial services are available to everyone. In the absence of a regulatory framework that monitors the performance of credit unions based on industry standards, a very significant aspect of the work of ACCU is developing internal regulation system and advocacy for external prudential standards monitored by the cooperative regulators.

*Credit Union Supervision and Monitoring Workshop in Nepal*







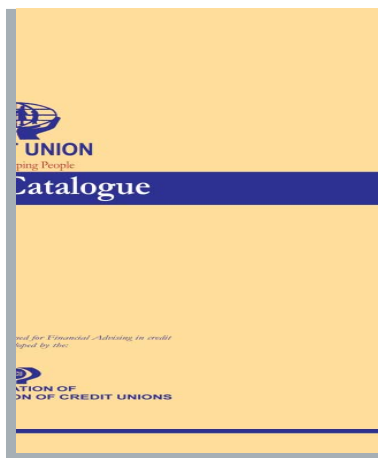
*Connect and educate the Youth Market - it's the credit union future.*

## Need Based & Competitively Priced Products & Services

### **Credit Union Product Positioning: Solution to Members Financial Problems.**

The strategy on Need Based and Competitively Priced & Packaged Products and Services aims that credit union builds its distinctive differentiation as solutions provider to members financial problems. Financial solutions are both savings and credit. Credit unions seen as credit institutions is a challenge addressed in this strategy.





## PRODUCT CATALOGUE

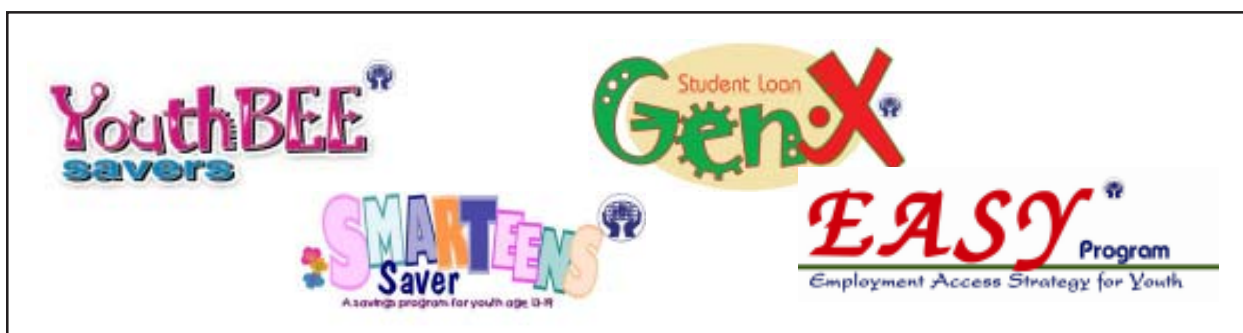
Based on experience and research, ACCU developed a sample Product Catalogue that serves as guide for national federations to promote products and services meeting the needs of members and potential members at every stage of life. The catalogue can be used by credit unions in providing financial counseling to members. The manual also provides tool for financial counseling. By building the credit union competence as a trusted wealth creation advisor for members, credit unions can demonstrate its differentiation with other financial institutions through the care and guidance given to members to reach their financial destination and ultimately their financial dreams.

## FINANCIAL PRODUCTS FOR YOUTH LAUNCHED

More than 75 kids and teens attended the launching of the youth financial products on January 30, 2008 at Petchaburi, Thailand. The signing of the Memorandum of Understanding between ACCU-CULT and Credit Union, that took place on the same event, sealed organizational commitment to connect youth (35 below) to credit unions.

Four brands of Youth Financial Products were unveiled: Youthbee Savers for kids 12 below, Smarteen Savers for age 13-19, Gen X for age 20-35 and EASY Program for 20-35 out of school youth. CULT and ACCU developed marketing materials to communicate the benefits of the product brands to young people and their parents. Partner credit unions targeted to reach 5,760 youth by the end of 2008 with total savings of at least Baht 2.9 million (US\$ 88,000). The target loans for Gen X [education loan] and EASY program [youth in microenterprise] is Baht 3.9 million (US\$ 117,000).

As of June 30, 2008, four credit unions recruited 4,050 new youth members with accumulated savings of Baht 5.2 million (US\$ 157,980). More information can be found in the specially designed website for the program: [www.cuyouth.culthai.coop](http://www.cuyouth.culthai.coop).





## Credit Union Development Outlook

### Solutions for Asian Credit Unions

1. Credit Union Management Tools (Model Policies)
2. Credit Union Business Development Center Operations Manual
3. ACCESS Diagnostic Tool
4. Trainer's Manual on Credit Union Directors Competency Course
5. Credit Union Promotional Manual
6. Trainer's Manual on Credit Union CEOs Competency Course
7. Credit Union Microfinance Innovation Methodology
8. Tool on Poverty Alleviation Program Impact Assessment Software
9. Marketing Tool to Reach the Youth Market Segment
10. Credit Union Governance Checklist
11. Credit Union Risk Based Supervision Service Manual
12. ACCESS Audit Procedures Manual
13. Credit Union Product Catalogue
14. Credit Union Director Toolkit

**Building Credit Union Strength by Putting People First** The implementation of ACCU Road Map places a high importance on leadership development to improve the quality and quantity of credit union leaders. Over the long term, leadership development also strengthens the credit union and makes it more competitive. Moreover, the credit union solutions also consider the tools needed by competent leaders to consistently fulfill their roles.

With one year remaining time for the implementation of the Road Map 2004-2009, ACCU will strive to focus on strategies needed to ensure credit unions' resilience in facing its internal and external challenges. In the pipeline are credit union solutions addressing the remaining strategies that ACCU has to work on for year 2008 to 2009.

Series	Credit Union Solution	Strategy Addressed
15	Credit Union CEO Toolkit	Changing & Building Leadership Competency
16	Training Manual on the Role of Credit Unions as Trusted Wealth Creation Advisor for Members	Repositioning
17	Customer Relationship Management (CRM) Guidelines for Credit Unions	Customer Relationship Management
18	Credit Union Risk Management Training Manual	Monitoring & Standardization
19	Credit Union Management Tools Version 2009	Monitoring & Standardization
20	Financial Counseling Tools	Repositioning







## ACCU Governance

Conducting credit union business in accordance with the highest ethical standards, in order to achieve and maintain the confidence and trust of its members and public in general is an important element of governance.

Serious attention was devoted to discussion regarding governance issues in Asia. As recommended by the CEOs and the Asian Credit Union Forum 2007, ACCU develops guidelines for governance processes and principles to assist the Board in following business practices that serve the best interests of members.

After series of consultations with Delegates and CEOs of member organizations, the General Meeting approved the amendments of the Bylaws and Policies in conjunction with the Bylaws on September 23, 2007. The implementation took immediate effect after the registration of the Bylaws amendments with the government regulatory agency in November 2007. ACCU is a registered legal body in the Kingdom of Thailand under the Association Act.

**Membership Category:** In the old Bylaws, membership was categorized to two types: Regular and Affiliates. The amended Bylaws approved four categories of memberships: Regular, Associate, Affiliate and Supporter Members.

The amendment also approved the policy on the Board of Directors Nomination and Election Procedure. The Board of Directors is now getting ready for the development of the Asian Credit Union Road Map for 2009 to 2014.

### ACCU Board of Directors



#### *Seated*

Oh-man Kwon - *President*  
NACUFOK, Korea

#### *Standing (L-R)*

Sylvia L. Flores, Ph.D. - *Secretary*  
PFCCO, Philippines

G. Lahmana - *Treasurer*  
WCCS, Malaysia

Michael Koisen - *2nd Vice-President*  
FESALOS, Papua New Guinea

P.M. Sitanggang - *1st Vice-President*  
CUCO, Indonesia

Ranjith Hettiarachchi - *Ex - Officio*  
Chief Executive Officer

## Financial Highlights

The financial statements of the Association of Asian Confederation of Credit Unions were audited by Bunchikit Co., Ltd. The external auditor expressed unqualified opinion stating that the financial statements fairly present the financial position and results of operation in accordance with generally accepted accounting standards.

The total Project Fund received from development partners was USD 326,320. The management ensured proper utilization of resources based on the approved budget. Consulting services and high yielding yet secure investments generated maximum net surplus for ACCU. Despite low interest income on investments, the income for this year has increased by 47% (USD 172,225) compared with last year. Increasing the Reserve Fund to generate income to cover the core and development costs is a long-term strategy of ACCU.

### SUMMARY OF FINANCIAL POSITION

as of June 30, 2008

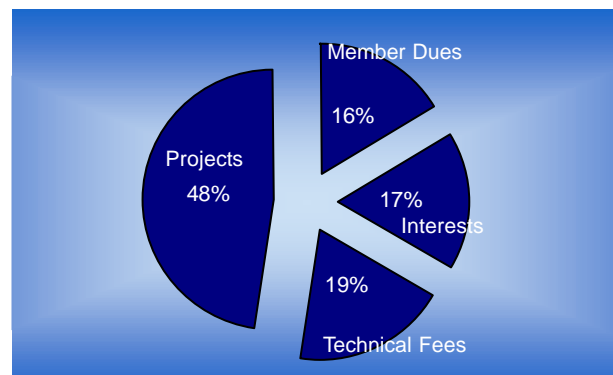
with comparative figures of June 30, 2007

(figures in 000 US Dollars)

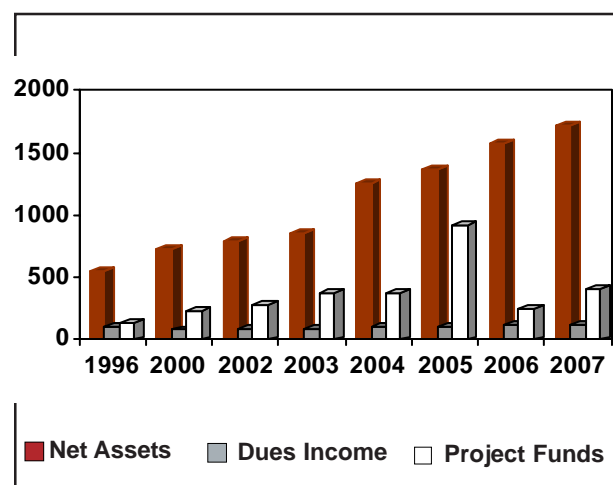
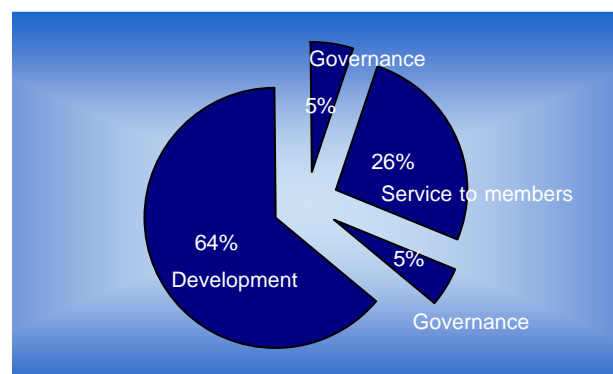
	2008	2007
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	2,797	2,520
Receivables	3	44
<b>Total Current Assets</b>	<b>2,800</b>	<b>2,564</b>
Property & Equipment (net)	48	38
Other Assets	4	7
<b>Total Assets</b>	<b>2,852</b>	<b>2,609</b>
<b>LIABILITIES:</b>		
Project Fund	467	412
Other Liabilities	319	311
<b>Total Liabilities</b>	<b>786</b>	<b>723</b>
<b>FUND BALANCES</b>	<b>2,066</b>	<b>1,886</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>2,852</b>	<b>2,609</b>

## Key Financial Indicators

### Revenues in Fiscal year 2007/2008



### Expenditures in Fiscal year 2007/2008





## Chairman/President & CEO/General Manager of Member Organizations

John F. Rodrigues, Chairman  
Ratan F. Costa, General Manager  
The Cooperative Credit Union League of Bangladesh

Charles Yip Wai-kwong, President  
Lee Yuen Cheong, Senior Manager  
Credit Union League of Hong Kong

Vasant Natha Shinde, President  
Girish Vishnu Tulpule, General Secretary  
Maharashtra State Federation Cooperative Credit Societies Ltd.

Drs. F.X. Siman, President  
Abat Elias, SE, General Manager  
Credit Union Central Indonesia

Oh-man Kwon, Chairman and President  
Jong-jun Park, Chief Executive Officer  
National Credit Union Federation of Korea

G. Lahmana, Chairman  
R. Gopal Singam, General Manager  
Workers Co-operative Credit Society Ltd., Malaysia

Min Raj Kadel, Chairman  
Kuber Niroula, Acting Chief Executive Officer  
Nepal Federation of Savings and Credit Cooperative Unions Ltd.

Michael Koisen, Chairman  
Paulus Laveil, Managing Director  
Federation of Savings and Loans Societies Ltd.,  
Papua New Guinea

Rito Febella, Chairperson  
David J. Pajaron, Jr., General Manager  
Philippine Federation of Credit Cooperatives

Engr. Jose R. Ping-ay, Chairperson  
Cresente C. Paez, Chief Executive Officer  
National Confederation of Cooperatives, Philippines

Gunarathna Maddumage, President  
L.B. Dasanayaka, General Manager  
Federation of Thrift & Credit Cooperative Societies Ltd.,  
Sri Lanka

Chuang, Chin-Sheng, President  
Ko, Yen-Hui, Chief Executive Officer  
Credit Union League of the Republic of China, Taiwan

Suriya Montripak, President  
Dabchai Jaisusuk, Acting General Manager  
Credit Union League of Thailand Ltd.

Chalernpol Dulsamphant, President  
Anan Chatruratchewin, General Manager  
Federation of Savings and Credit Cooperatives of  
Thailand Ltd.

Tran Quang Khanh, Chairman  
Do Manh Hung, General Director  
Central People's Credit Fund, Vietnam





## Management Team

### Team Members in Thailand Office

Ranjith Hettiarachchi - Chief Executive Officer  
 Elenita V. San Roque - Manager, Member Services  
 Porramaphorn Artrit - Secretary/Program  
 Kamon Kiattisirikumpon - Program Assistant  
 Samorn Toscha - Assistant Administrative Officer  
 Seksan Seenil - Office Assistant

### Advisors

Supachai Srisupaakorn  
 Dr. Amporn Wattanawongs  
*Liason with the Royal Thai Government*

### ALMI Members

*Members of the Asian Leaders and Managers Institute (ALMI)*

Bill Field – CUFA, Australia  
 Ratan F. Costa - CCULB, Bangladesh  
 Tutuk Ekawati - Indonesia  
 Songkham Manivong - LPSCU, Lao PDR  
 M. Annamalai – WCCS, Malaysia  
 Daisy Belle M. Cabal - NATCCO, Philippines  
 Shoba Gunasekaran - TCC, Singapore  
 Veerayut Ruchirek – CULT, Thailand  
*Note: Carried out volunteer assignments in 2007 to 2008*

## Project Staff

### Bangladesh

- Rommel H. Cruze – Project Coordinator - ACCESS
- Hubert Sukumar Palma – Project Coordinator - CUMI

### Cambodia

- Soung Karukomar – Project Coordinator - CBF Promotion

### Indonesia

- Mikhael H. Jawa - Manager, CUCO Ende-Ngada

### Lao PDR

- Chanphet Bounvilay - Project Coordinator, Luang Prabang

### Nepal

- Rambabu Neupane – Management & Finance Specialist - ACCESS

### Philippines

#### PFCCO

- Carlos Samson - Management & Finance Specialist - National

#### NATCCO

- Daisy Belle M. Cabal - Management & Finance Specialist - ACCESS

## Membership

### 15 Regular Members



**CCULB**-Cooperative Credit Union League of Bangladesh Ltd.



**CULHK**-Credit Union League of Hong Kong



**MAFCOCS**-Maharashtra State Federation of Cooperative Credit Societies Ltd., India



**CUCO**-Credit Union Central Indonesia



**NACUFOK**-National Credit Union Federation of Korea



**WCCS**-Workers Co-operative Credit Society Ltd., Malaysia



**NEFSCUN**-Nepal Federation of Savings and Credit Cooperatives Union Ltd.



**FESALOS**-Federation of Savings and Loan Societies Ltd.-Papua New Guinea



**NATCCO**-National Confederation of Cooperatives, Philippines



**PFCCO**-Philippine Federation of Credit Cooperatives



**FTCCS**-Federation of Thrift and Credit Cooperative Societies, Sri Lanka



**CULROC**-Credit Union League of the Republic of China, Taiwan



**CULT**-Credit Union League of Thailand Ltd.



**FSCT**-Federation of Savings and Credit Cooperatives of Thailand Ltd.



**CCF**-Central People's Credit Fund Vietnam

### 1 Associate Member

- **CCC** - Central Credit Cooperative Union of Iran

### 15 Affiliate Members

- **CUFA** - Credit Union Foundation Australia
- **CCSF** - Cambodian Community Savings Federation
- **IRU** - International Raiffeisen Union, Germany
- **DPG** - Development Promotion Group, India
- **NACCFED** - National Association of Co-operative Credit Societies and Federations, India
- **MAM** - Mol-AI-Movahedin Credit Cooperative, Iran
- **SAMEN** - Samen Al Aemeh Credit Cooperative, Iran
- **RILB** - Research Institute of Labour Banks, Japan
- **MACOSCLE** - Mauritius Co-operative Savings and Credit League Ltd.
- **VPMPCS** - Vacoas Popular Multi-Purpose Co-operative Society Ltd., Mauritius
- **MOCCU** - Mongolian Confederation of Credit Unions
- **USC** Nepal
- **CSS** - Catholic Social Services, Pakistan
- **IACUFEZ** - Interregional Association of Credit Unions of the Far East and Zabaikalye, Russia
- **SNCF** - Singapore National Cooperatives Federation, Ltd.

### Membership At Glance

	Organizations
• Regular Members	15
• Associate Member	1
• Affiliate Members	15
• Supporter Members	25
<b>TOTAL</b>	<b>56</b>

## Partnerships

### 25 Supporter Members

- **AUSTRALIA**
  - Maritime Workers Credit Union
  - The NSW Teachers Credit Union
  - Select Credit Union, Ltd.
  - Sydney Credit Union, Ltd.
  - WAW Credit Union Co-operative, Ltd.
  - Victoria Teachers Credit Union
- **INDONESIA**
  - Batang Asi Credit Union
  - Canaga Antuntn Credit Union
  - Keling Kumang Credit Union
  - Lantang Tipo Credit Union
  - Pancur Dangeri Credit Union
  - Pancur Kasih Credit Union
  - Pancur Solidaritas Credit Union
  - Puyang Gana Credit Union
  - Semandang Jaya Credit Union
  - Sumber Rejeki Credit Union
  - Tilung Jaya Credit Union
  - Tri Tapang Kasih Credit Union
- **JAPAN**
  - Japan Credit Union
- **PAPUA NEW GUINEA**
  - The PNG Police & State Services Savings & Loan Society Ltd.
- **PHILIPPINES**
  - Aurora Integrated Multi-purpose Cooperative
  - Baguio Benguet Community Credit Cooperative
  - St. Martin of Tours Credit & Development Cooperative
- **THAILAND**
  - Klongchan Credit Union, Ltd.
  - Soon Klang Thewa Credit Union Cooperative, Ltd.

### International Affiliations

- World Council of Credit Unions (WOCCU)
- International Co-operative Alliance (ICA)
- International Raiffeisen Union (IRU)
- United Nations - Special Consultative Status

### Development Partners

- Agriterra, the Netherlands
- Canadian Co-operative Association
- Cordaid, the Netherlands
- Rabobank Foundation, the Netherlands

### Strategic Partners

- Asia Pacific Rural and Agricultural Credit Association (APRACA)
- Asian Women Cooperative Forum (AWCF)
- Cooperative League of Thailand (CLT)
- Cooperative Promotion Department-Thailand
- Food and Agriculture Office-FAO
- International Cooperative Mutual Insurance Federation (ICMF)
- International Labour Organization (ILO)
- International Network of Alternative Financial Institutions (INAFI)
- Micro Credit Summit Campaign
- Mongolian Cooperative Training Institute
- United Nations-Economic and Social Commission for Asia and the Pacific (UN-ESCAP)
- Vaikunth Mehta National Institute of Co-operative Management, India
- Vietnam Cooperative Alliance (VCA)

### Credit Union Development Initiatives

- Consolidation of Credit Union Development in Asia, Phase 2 - Cordaid
- Women Empowerment in Credit Unions through Microfinance (WECUMI) - Agriterra
- Credit Union Promotion in Lao PDR - Agriterra
- Rural Finance in Cambodia - Agriterra
- Credit Union Strengthening in Asia - Canadian Co-operative Association
- Credit Union Strengthening & Promotion in Pakistan - Rabobank Foundation
- Technical assistance in rebuilding credit unions in Timor Leste



## Our Vision

### Sustainable Credit Unions in Asia

We believe that ACCU's primary purpose is to ensure credit unions are continually providing affordable financial services to their members. To perform its purpose, credit unions have to achieve financial viability, operational efficiency, member-customer and employee satisfaction, competitive position, knowledgeable and involved boards of directors and quality products & services. ACCU's value added services to members are all directed toward the shared vision.

## Our Mission

ACCU works in partnership with its members to strengthen and promote credit unions as effective instruments for socio-economic development of people.

## Core Values, Our Commitment to members and partners

**Dynamism:** We owe our members a Dynamic Regional Organization. We will strive to expand our human resources by mobilizing competent people who can deliver value-added services to our members in a timely manner.

**Innovation:** We owe our members a Leading Organization for Credit Union Innovation in Asia. ACCU will not duplicate what our members are doing. Our services will always be of value to members that use them to help achieve their own goals.

**Learning:** We owe our members a Learning Organization for Credit Unions in Asia - this means ACCU will be the resource center or facilitator for credit union best practice, management tools, systems, guidelines and technology.

**Quality:** We owe our members and partners the Highest Quality Service possible at all times characterized by responsiveness, accuracy, integrity and professionalism. We will always strive for quality improvement.

**Solidarity:** We owe the Asian Credit Union Movement the value of Solidarity. This means our mechanisms, policies, and programs will translate this value.

### Management Commitments

- |                            |                          |                          |
|----------------------------|--------------------------|--------------------------|
| • <i>Positive attitude</i> | • <i>Responsible and</i> | • <i>Integrity</i>       |
| • <i>Innovative</i>        | • <i>accountable</i>     | • <i>Professionalism</i> |
| • <i>Quality</i>           | • <i>Self-esteem</i>     | • <i>Teamwork</i>        |
| • <i>Service mind</i>      | • <i>Communication</i>   |                          |



**ASSOCIATION OF  
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