

ASSOCIATION OF  
ASIAN CONFEDERATION OF CREDIT UNIONS

**Social Microfinance and Community Development**

"Credit Unions standard Management ,  
Financial and organizational Performance:  
Evident form Innovations "

Ranjith Hettiarachchi  
Chief Executive Officer



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**Credit Unions  
Microfinance  
Innovations**




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**Presentation Contents**

- Brief introduction of ACCU
- Brief introduction of Credit Union Management
- Organizational Performance
- Credit Union Involvement in Poverty Alleviation
- Description of the Experience
- Key Results, Effects, Impact
- Insights and Lessons Learned

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**Credit Unions Map in Asia**



**Untapped area:** Bhutan, Maldives, Afghanistan, Brunei Darussalam

**Developed movement:** Korea, Taiwan, Singapore

**New area:** Laos, Cambodia, Mongolia, China, Iran, Pakistan, Myanmar, Timor Leste

**Consolidation:** Hong Kong, Thailand, Philippines, Malaysia, PNG, Vietnam, Indonesia

**Developing Movement:** Nepal, Bangladesh, Sri Lanka, India, Japan

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**ACCU**

- Is a regional body of credit unions or financial cooperatives in Asia
- We represent **48.9** million individual members from **22,176** credit unions in **25** countries in Asia
- We just celebration 40<sup>th</sup> Anniversary

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**12 Regular Members in 10 countries**  
*National federations is eligible for regular membership*  
**20,000 individual members or 2% of the population of the country**

1. CCULB - Credit Union League of Bangladesh
2. INKOPDIT - Credit Union Central of Indonesia
3. NACUFOK - National Credit Union Federation of Korea
4. NEFSCUN - Nepal Federation of Savings & Credit Cooperatives
5. MAFCOCS - Maharashtra State Federation of Cooperative Credit Societies
6. PFCCO - Philippine Federation of Credit Cooperatives
7. NATCCO - National confederation of Cooperatives - Philippines
8. FTCCS - Federation of Thrift & Credit Cooperatives Societies - Sri Lanka
9. CULROC - Credit Union League of the Republic of China - Taiwan
10. CULT - Credit Union League of Thailand
11. FSCT - Federation of Savings and Credit Cooperatives - Thailand
12. CCF - Central Peoples Credit Fund - Vietnam



Associate Member - 1 country

*National federations still not eligible for regular membership. NO Voting Rights.*

Iran  
Central Credit Union of Islamic Republic of Iran

17 Affiliate Members in 16 countries

1. Australia-Credit Union Foundation Australia
2. Germany-International Raiffeisen Union
3. Japan- Research Institute of Labour Banks
4. Singapore National Cooperative Federation Ltd.
5. Iran-Mol-Al-Movahedin Credit Cooperative
6. Iran-Samen Credit Union
7. Cambodian Community Savings Federation
8. India-Development Promotion Group
9. Mauritius-Vacoas Popular Multi-Purpose
10. Russia-Credit Union Asso. of the Far East and Baikal Region
11. Mongolia-Mongolia Confederation of Credit Unions
12. Pakistan-Catholic Social Services
13. Philippines - CARD-Mutually Reinforcing Institutions
14. Thailand - U Life Insurance Company
15. Hong Kong - Credit Union League of Hong Kong
16. PNG Federation of Savings and Loans Societies
17. Myanmar Central Cooperatives Societies

The organizations supporting credit unions in Asia. NO Voting Rights.

Country	No. of Members	
Australia	7	46 Supporter Members in 10 countries
Bangladesh	2	
Japan	1	
Nepal	2	
New Zealand	1	
Indonesia	15	Supporter Members 1000 By 2015
Papua New Guinea	1	
Philippines	13	
Singapore	1	
Thailand	3	
Total	46	

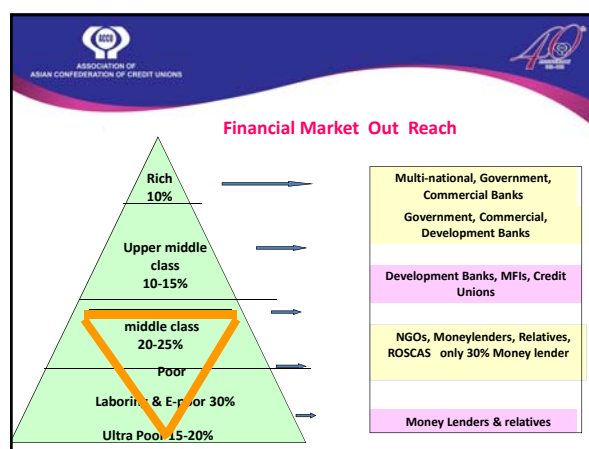


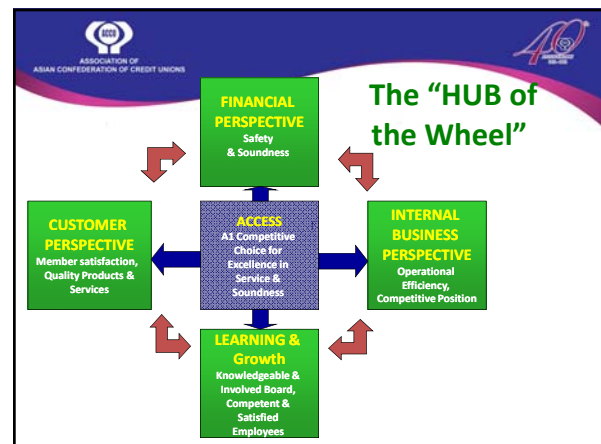
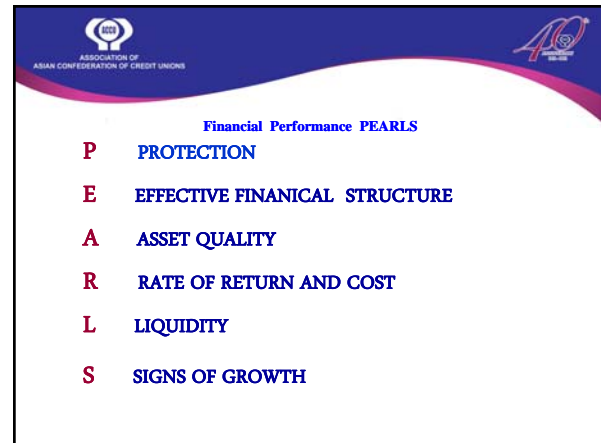
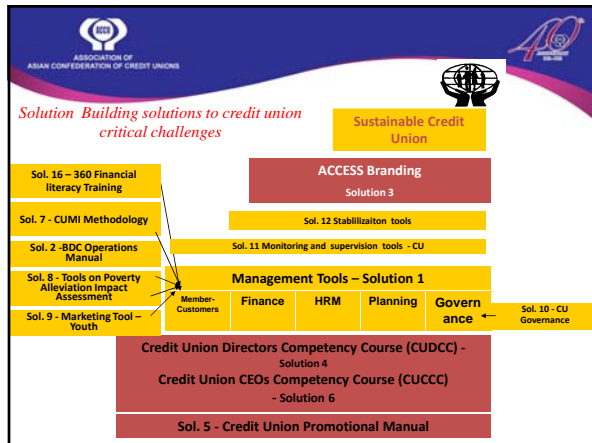
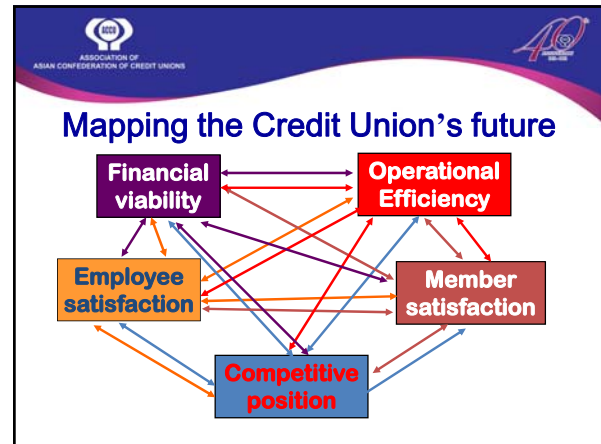
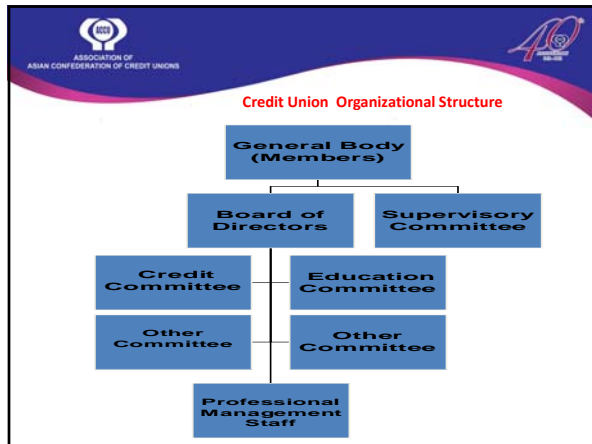
**"THINK TANK" for Asian Credit Unions**  
Non-traditional, not routine, responding to credit unions' current challenges

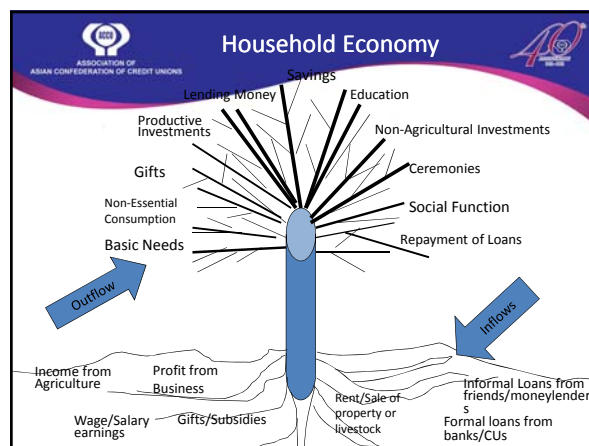
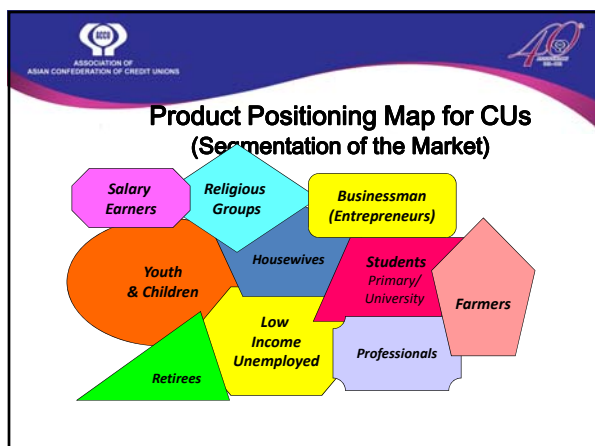
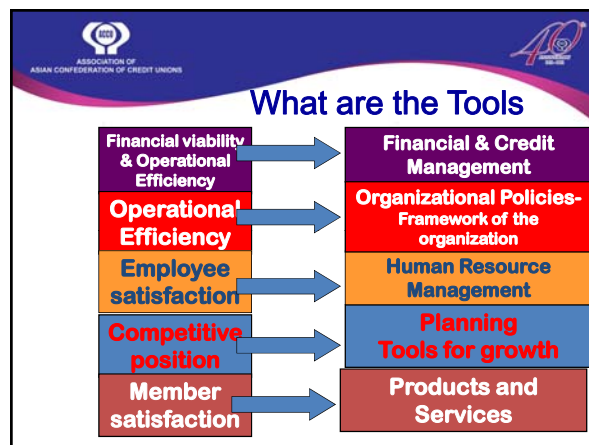
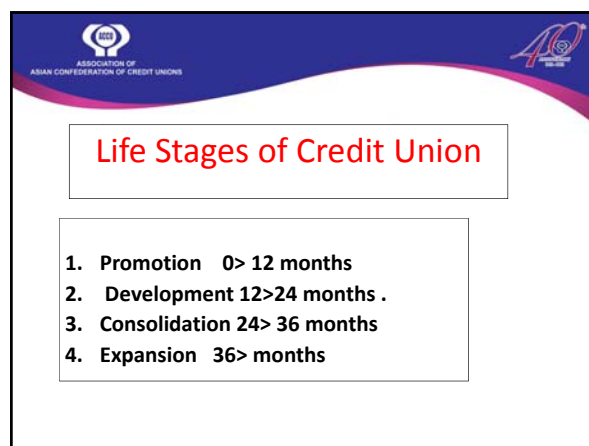
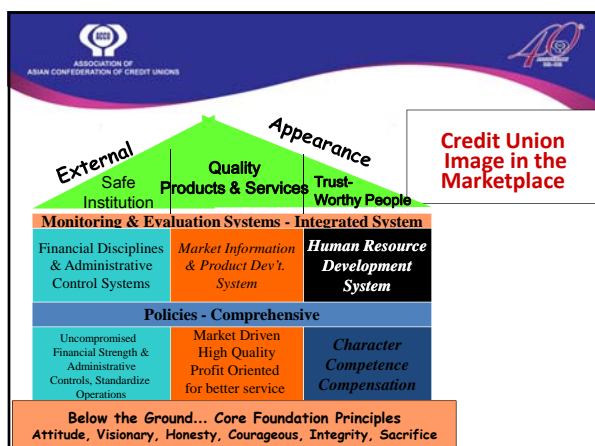
**Think Innovation**

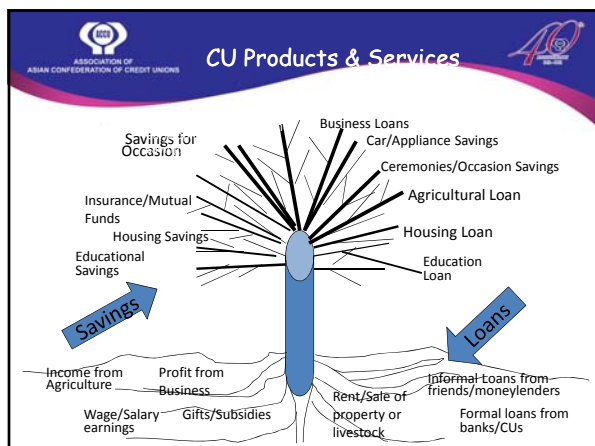
**Think Solutions**

**Walk the Talk!**









**Our Mission is....**

**“Providing affordable financial services to the people in the community regardless of social status for their socioeconomic development”**

**“...we are building better communities”**

**Credit Union....**

**is for everyone whether rich or poor, women and youth... this is the beauty of the credit union!**

**Credit Union....**

- **has a diverse membership.**
- **members pool their money**
- **lend it to those who are in need**
- **And it is an evolving development**

**“Self-reliant organization”**

**Association of Asian Confederation of Credit Unions**

**Our financial products are packaged based on our members needs and capacity.....it is market driven not supply driven**

**“the purpose of our existence is satisfying our members needs so that they can fulfill their own goals..”**

**GOAL**

**Association of Asian Confederation of Credit Unions**

**Financial Products and Services**

**“Enabling Have Less to grow and sustain”**



1. **Credit union**- credit cooperative, savings & credit cooperative, thrift & credit cooperative

2. **HAVE LESS** – poor, low-income, disadvantaged group, L Poor = laboring poor ; E poor = Entrepreneurial poor.

## MICROFINANCE

Microfinance is the sustainable provision of financial services with education (savings & credit facilities) to economically active & poor households who lack access to the formal financial sector.

**Microfinance is a development tool to improve living condition of the have less..... to empower them.**


## MICROFINANCE

**Microfinance is practiced by the credit unions some 160 years ago and has been innovated as environment changes ...it started in Germany by Raiffeisen.**



*Inventor.....*  
Friedrich Wilhem Raiffeisen

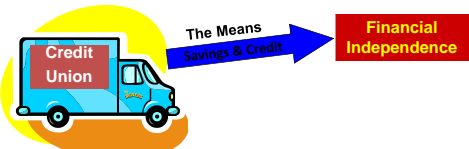
161 years ago in 1852 credit union was established to fight poverty.



Credit Unions must not confine themselves to granting loans. Their main objective should be to control the use of money, to improve the moral and physical values of people, and their will to act by themselves." - Raiffeisen

Hermann Schulze-Delitzsch and F. W. Raiffeisen in Germany

- A **credit union** is a cooperative financial institution that is owned and controlled by its members, and operated for the purpose of helping its members achieve financial freedom.



An all-inclusive organization. A Credit union is for everyone regardless of religion, race, gender, and social status.

## who are our target?

**PEOPLE LIVING IN POVERTY.....Those LOW-INCOME potential members in our community.....**

- No access to formal financial institutions
- Willing to learn
- Economically active
- With family income below poverty line..with family income of US\$ 25 to 50 per month (based on country poverty indicators)

Credit Union's Microfinance aims that ...

- **Poor should develop habit of savings to free them from dependency**


**No short cut for development...**



*Accumulation of wealth through savings*


**Raiffeisen on Savings:**

“Many drops form first a Creek...  
Then a Stream....  
and finally, a River”



When we develop the savings and loan for the poor segment...it must be:

- *Market driven*
- *High quality*
- *Profitable (pay for the costs and provide returns to your credit union)*



**Innovation in the Microfinance is....**

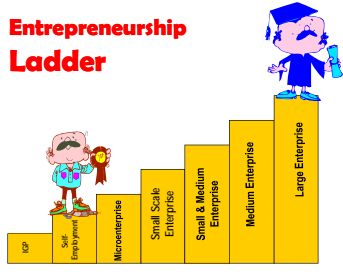
**A tightly integrated *financial* and *educational* service designed for entrepreneurial poor (e-poor) capable of engaging successfully in *micro-enterprises*.**

**1**

**innovation in the Microfinance is....**

**Built in a support for entrepreneurship graduation**

**Entrepreneurship Ladder**



**2**

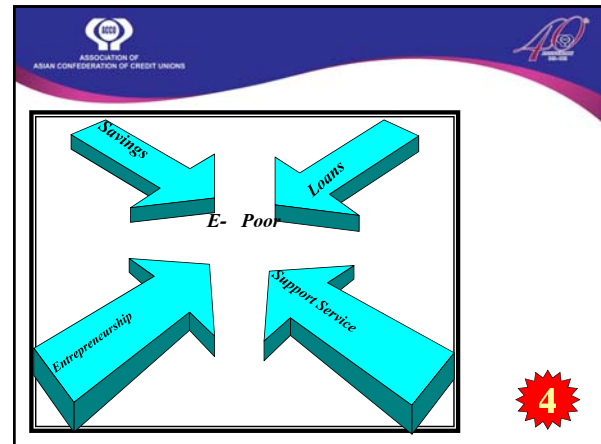
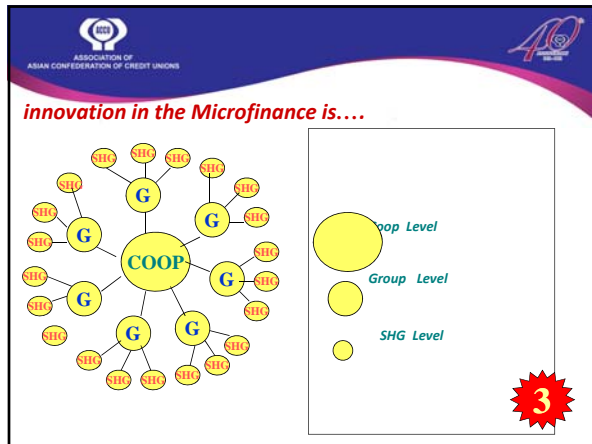
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**Entrepreneurship Ladder**





**2**



**What is Business Development Center?**

- Platform for exchange of experience
- Train have less women on business skills and management
- Provide market information
- Coordinate skills training for entrepreneurs

**Quality Control**  
**Trade Fair**  
**Introduce marketing strategies**

**Products**

**5 Kinds of Products**  
(more than 1,100 Items from 167 groups and Sme<sub>s</sub>)

**Activities**

**1. Select products from women group**

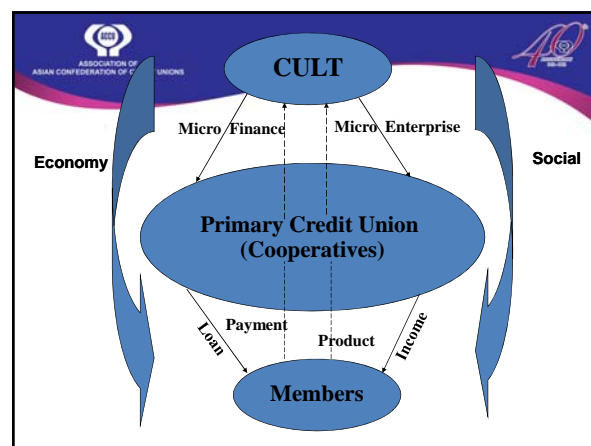
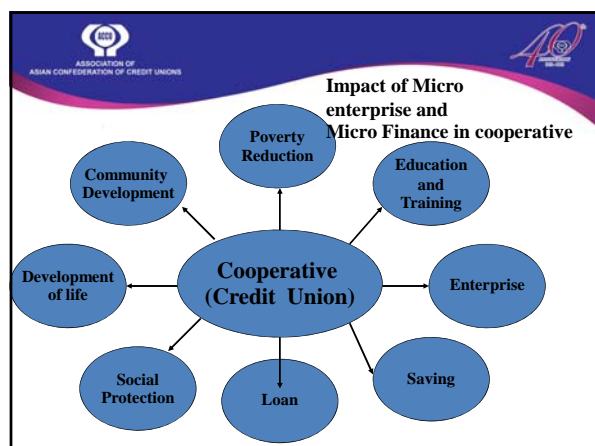
**2. Design & Development of product**

**Activities**

**8. Whole sale Purchase of raw materials to decrease the cost**

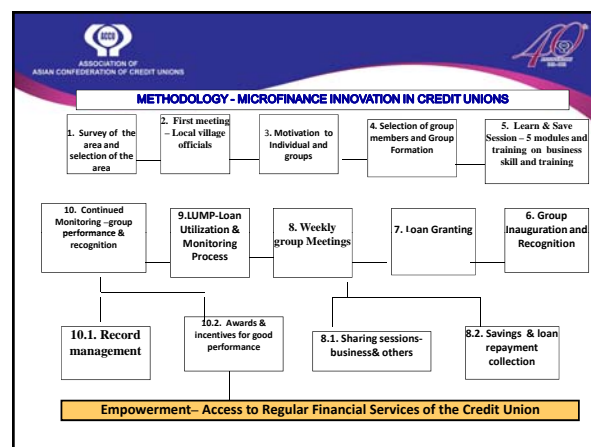
**9. Promotion-Coop Fashion Show**





BDC assumed a leadership role in defining directions for advancing the development of microenterprise in credit unions.

The real task, however, is to foster leadership by enabling credit unions assist members who strive to create their own economic destinies through small business.





**EMPOWERMENT MEANS.**

- Economic** – building their wealth with the Habit of Savings
- Political** – one member one vote in the credit union. Credit union is a legal entity
- Social** – they now belong to the mainstream, brushing shoulders with the rich and famous! No discrimination!

**Conclusion**


"The poor need safe institutions for savings place. credit is not only the solution".

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*This is the Credit Union  
 Experience...we are learning day by  
 day...we know there are more people  
 that needs access to financial services.*

**I would be pleased to  
 answer any questions you  
 may have...**




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**Thanks ! Thanks ! Thanks !!**



**"above all thanks for not  
 sleeping, not snoring but  
 active participation.  
 Thanks for your attention  
 !!!"**