



***Credit Unions in Asia***

***Youth Task Force Meeting***

# *Magnitude of Poverty in Asia*

- *1.3 billion below the poverty line*
- *950 Million Below poverty line in Asia*
- *In South Asia:*

*515 Million from South Asia*

*Adult literacy rate is 48% in South Asia*

*Half of the children in South Asia are underweight*

*260 million people no access to health facilities*

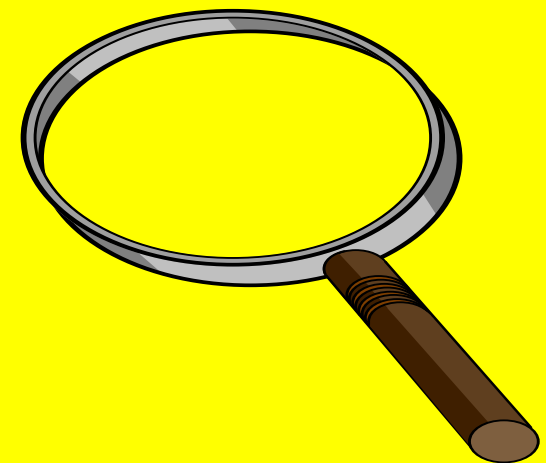
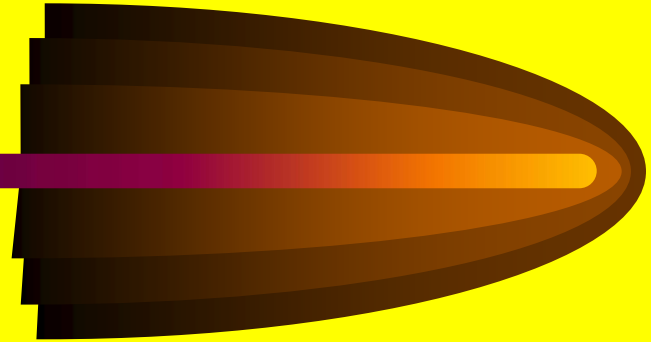
*337 million no safe drinking water*

*830 million has no basic sanitation facilities*

*more than 400 million are hungry every day*

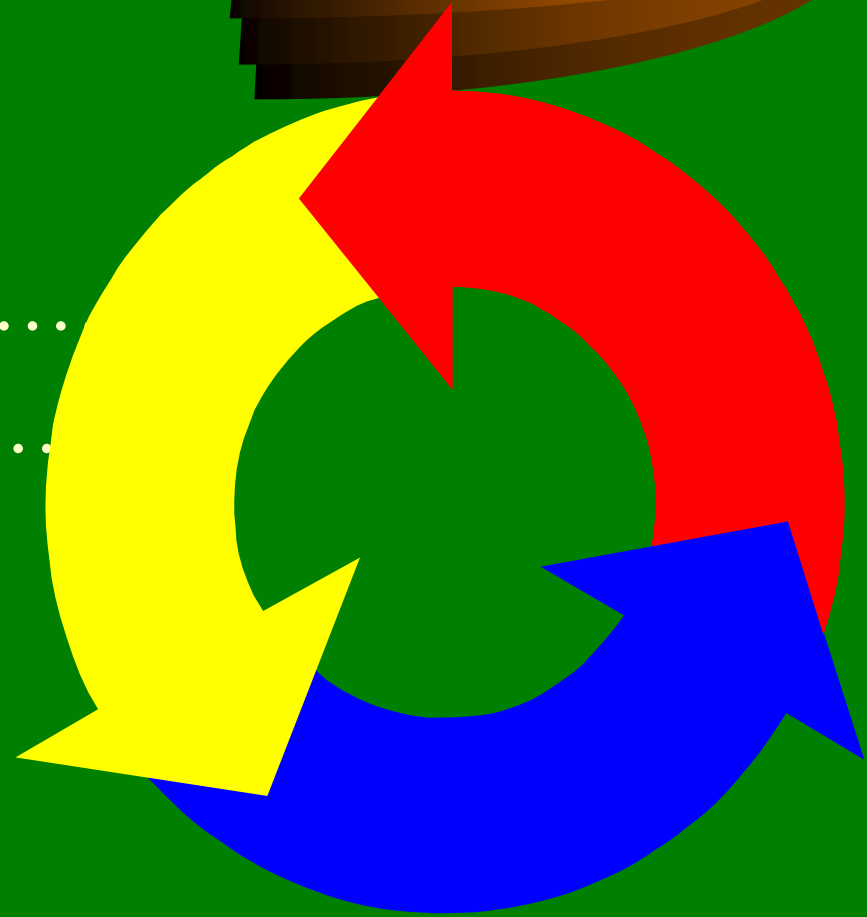
# ***Historical Background of CUs***

- **The first people's organization**
- **Started in Germany in 1848**
- **Started in Asia in 1904**
- **Reiffeisen is the Father of credit union**



# *The Issue of Sustainability*

- ⌘ Growth .....
- ⌘ Continuation .....
- ⌘ Development .....



# *Level of Sustainability*

⌘ Member Level

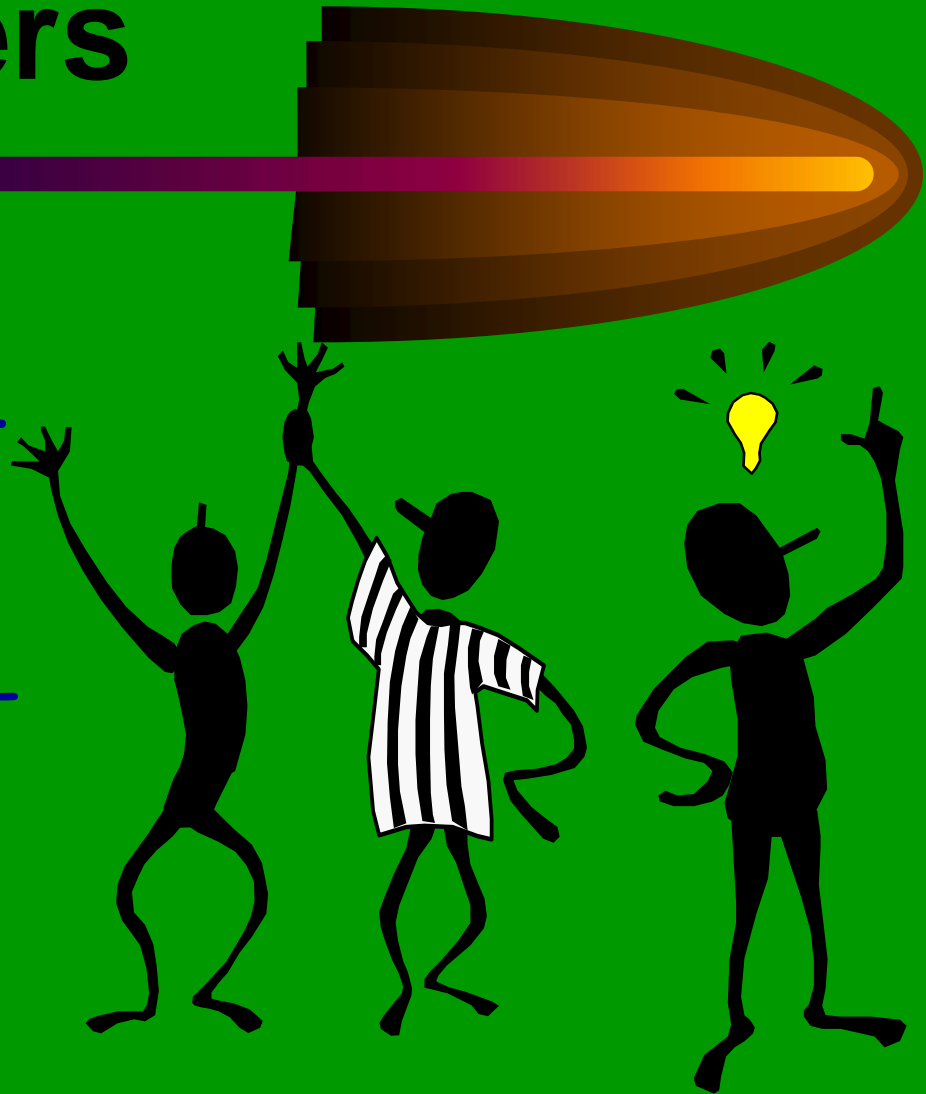
⌘ Community Level

⌘ National level

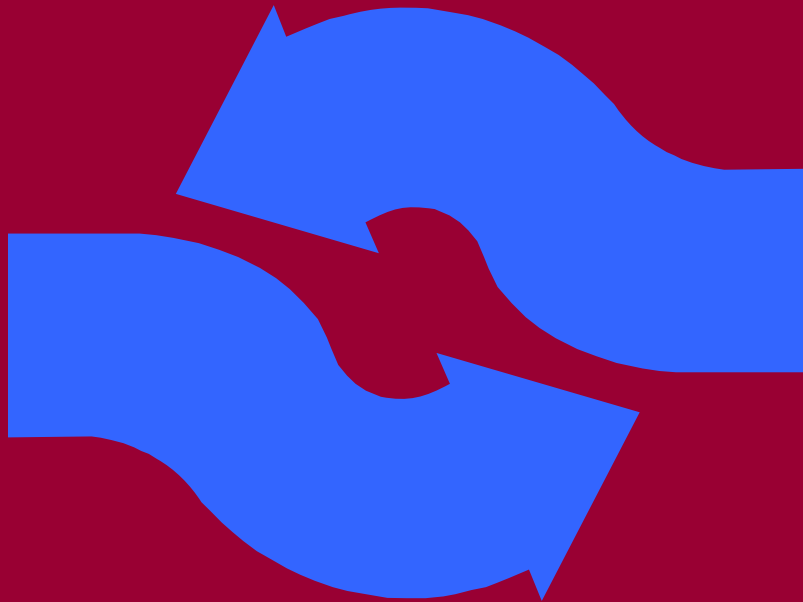


# Members

- ↓ Intervention of members
- ↓ Concept of development
- ↓ Principles of CUs in practice
- ↓ Development discipline - self-help and mutual
- ↓ Skills development
- ↓ Financial services



# *Credit Union Level*



- Organizational sustainability
- Financial sustainability

# *Organizational Sustainability*

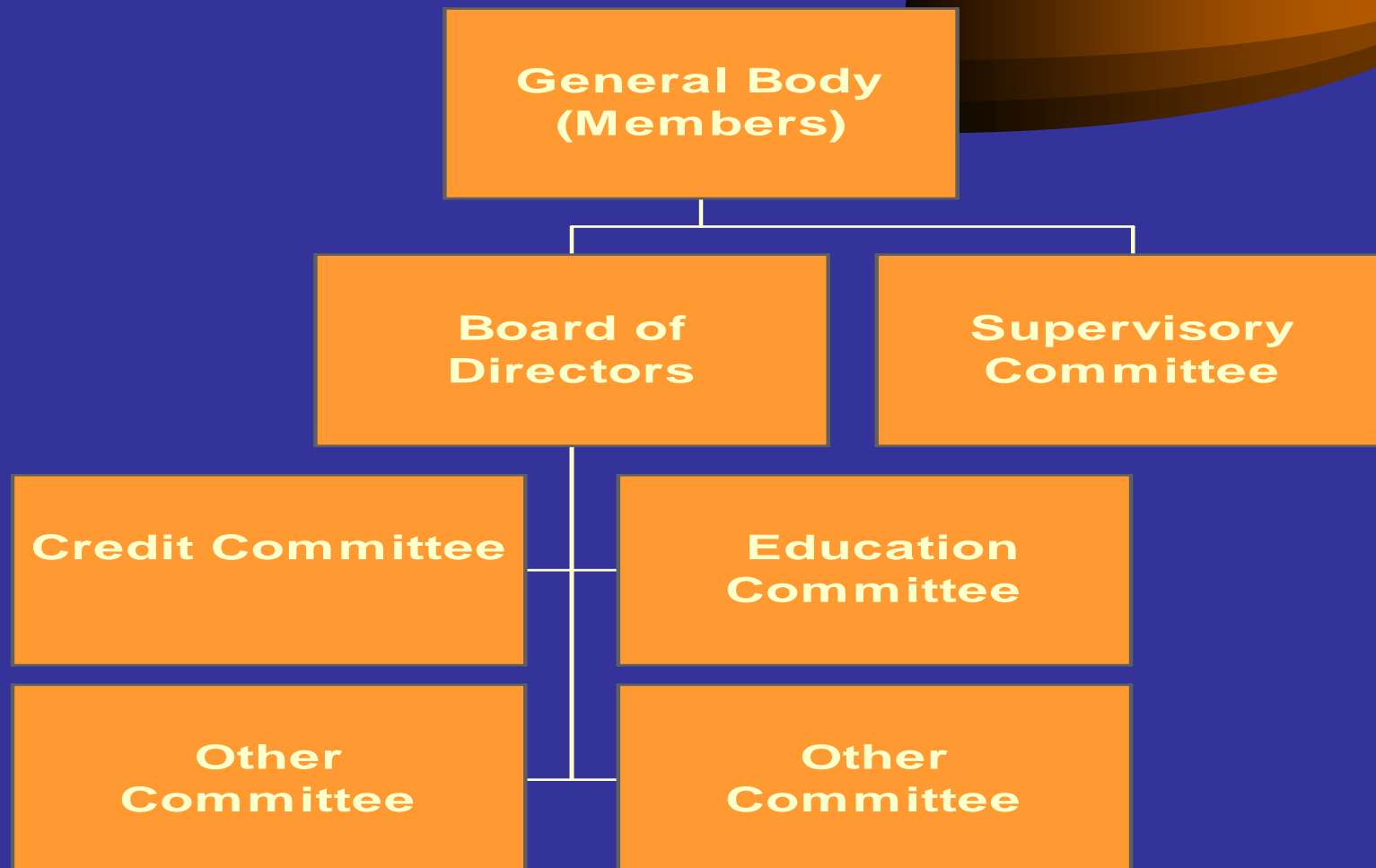


## **Organizational structure:**

- **Member ownership**
- **Member control**
- **Member managed**



# *Organizational Structure*



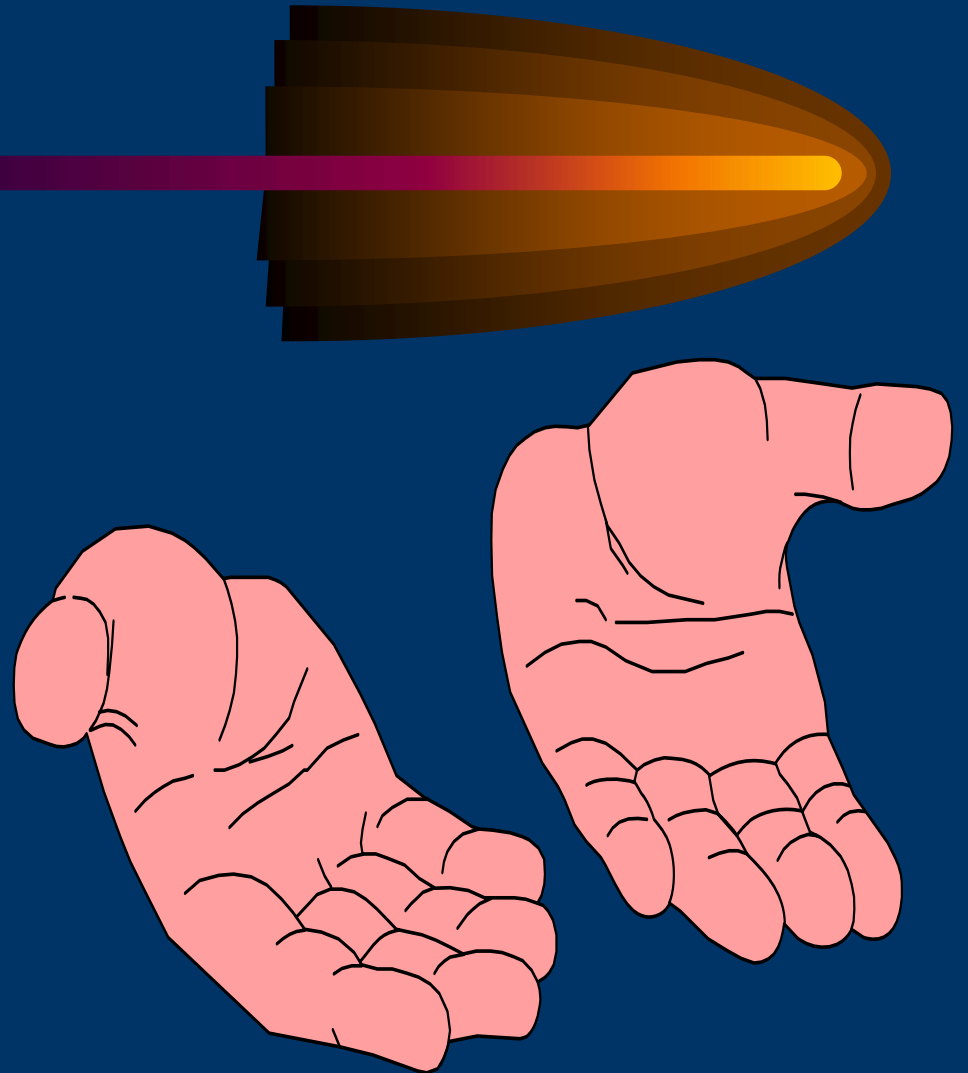
# *Leadership*



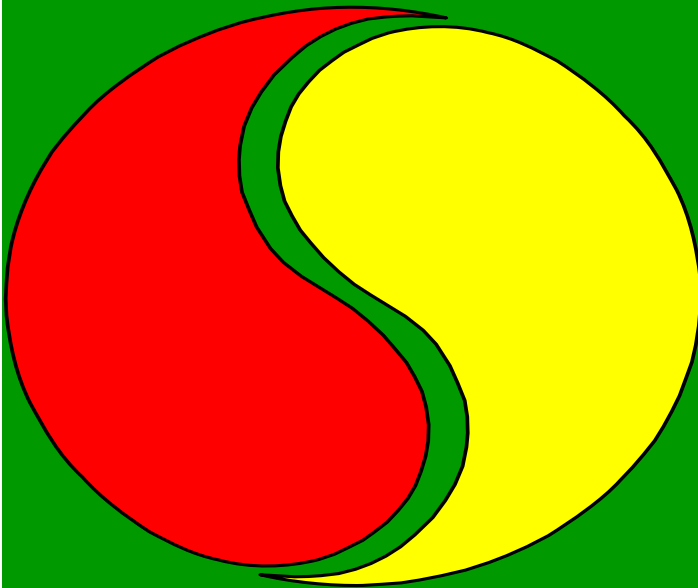
- Trustworthy
- Dynamic
- Active
- Rotation
- Innovation
- Visionary

# *Penetration*

- Setting target of minimum 150 within one year
- Annual membership promotion program
- Continuous member education program
- Integration of community-poor, *youth* & women



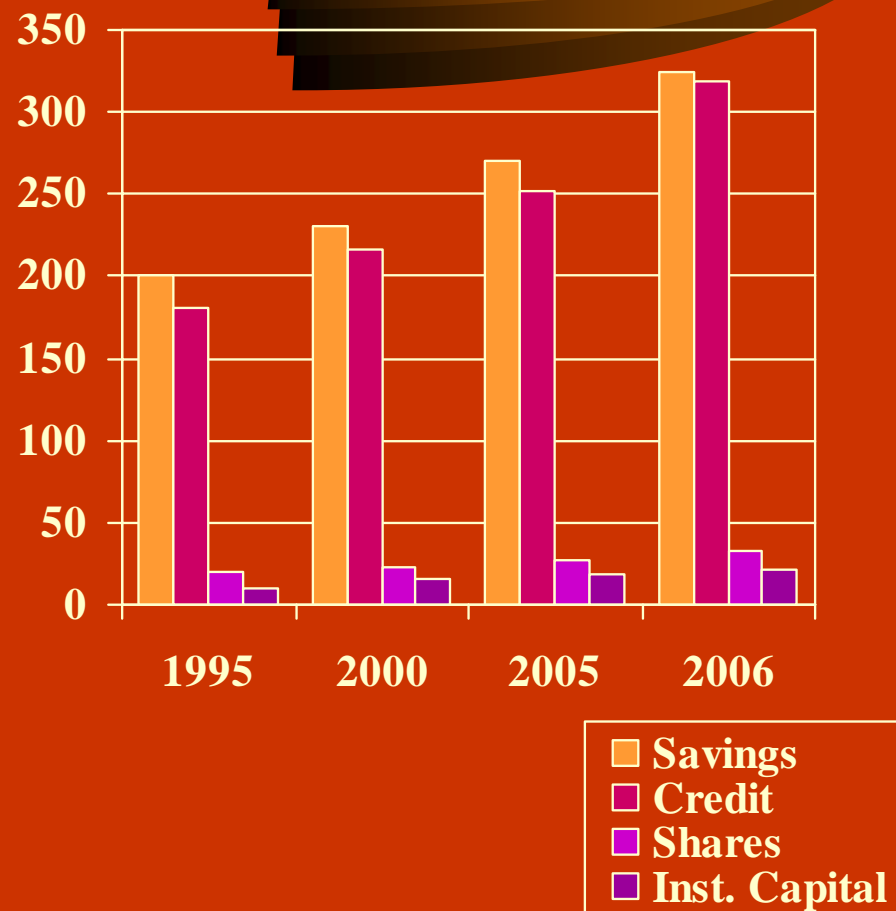
# *Professionalism*



- Paid management
- Train and experience
- Staff development

# *Financial Sustainability*

- Product and service
- Pricing policy
- Effective financial structure
- Financial Disciplines

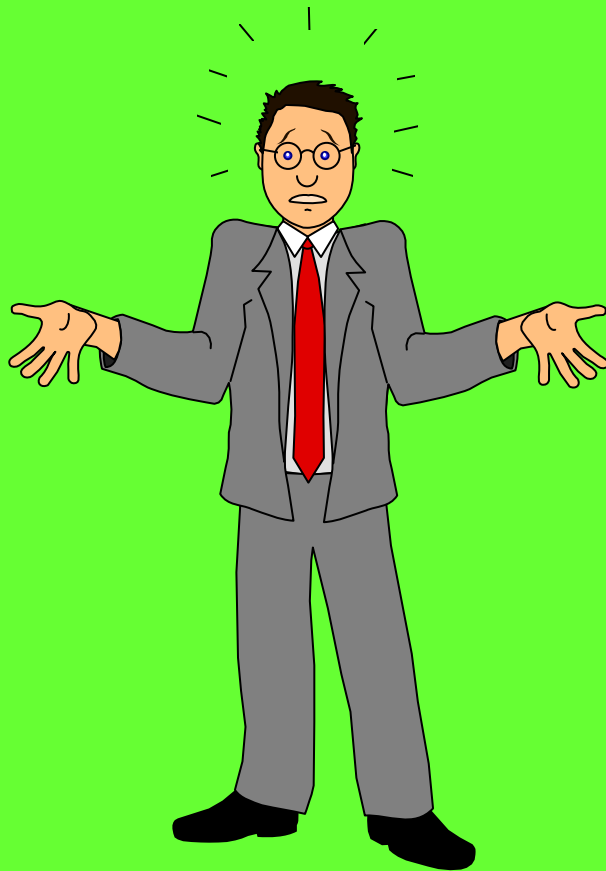


# *Product and Service*

- *Demand driven*
- *Innovative*
- *Diversification*
- *Market driven*
- *Flexibility*
- *Accessibility*

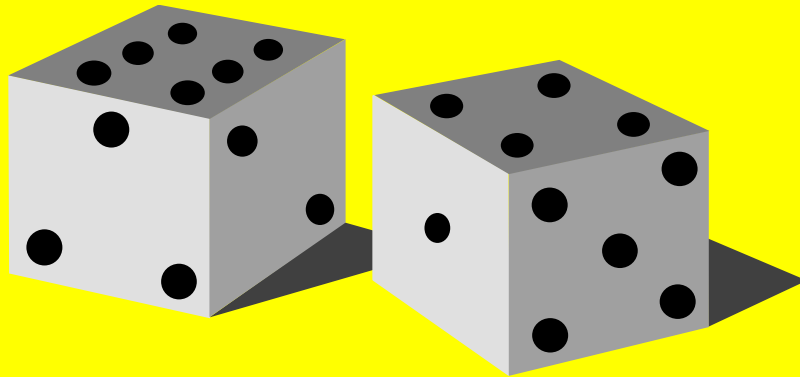


# *Pricing Policy*



- *Cost covering*
- *Cost of funds*
- *Operational Cost*
- *Risk*
- *Institutional Capital*
- Competitive*

# *Effective Financial Structure*

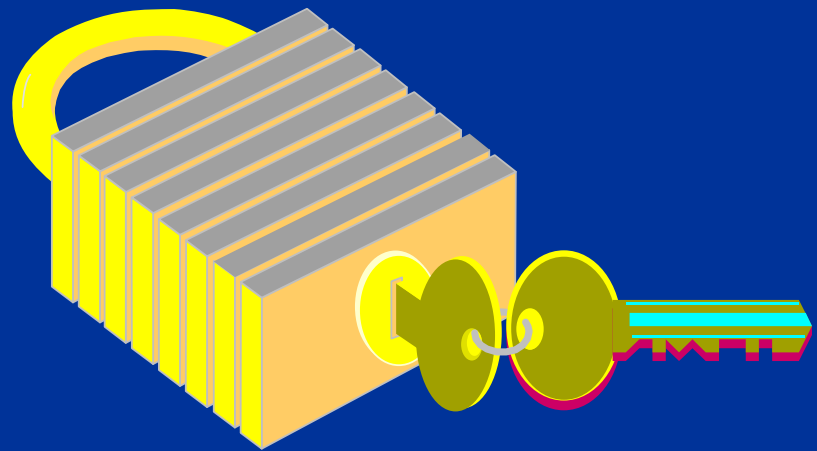


- *Assets and Liability Management*
- *Savings based*
- *Share Capital for ownership*
- *Institutional Capital for stability*



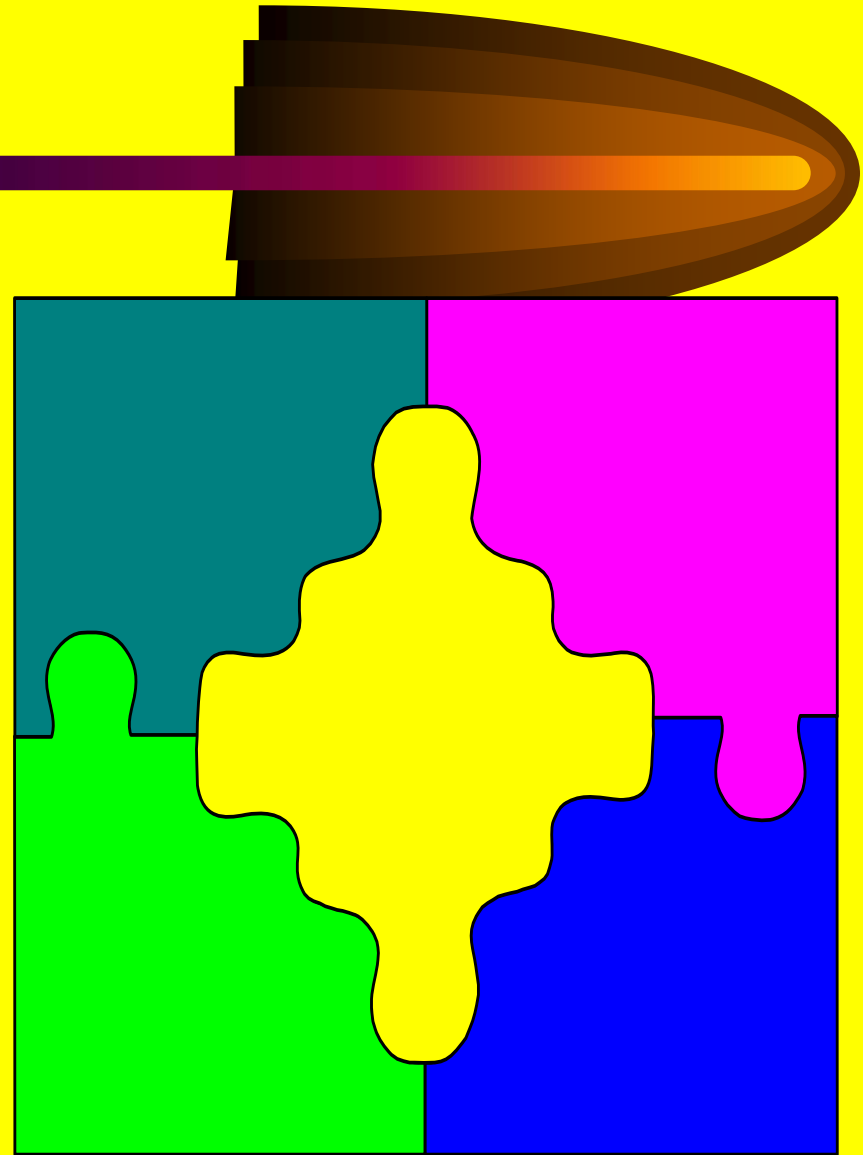
# *Financial Disciplines*

- *Transparency*
- *Delinquency control*
- *Credit Administration*
- *Prudential standards*
- *Continuous monitoring*



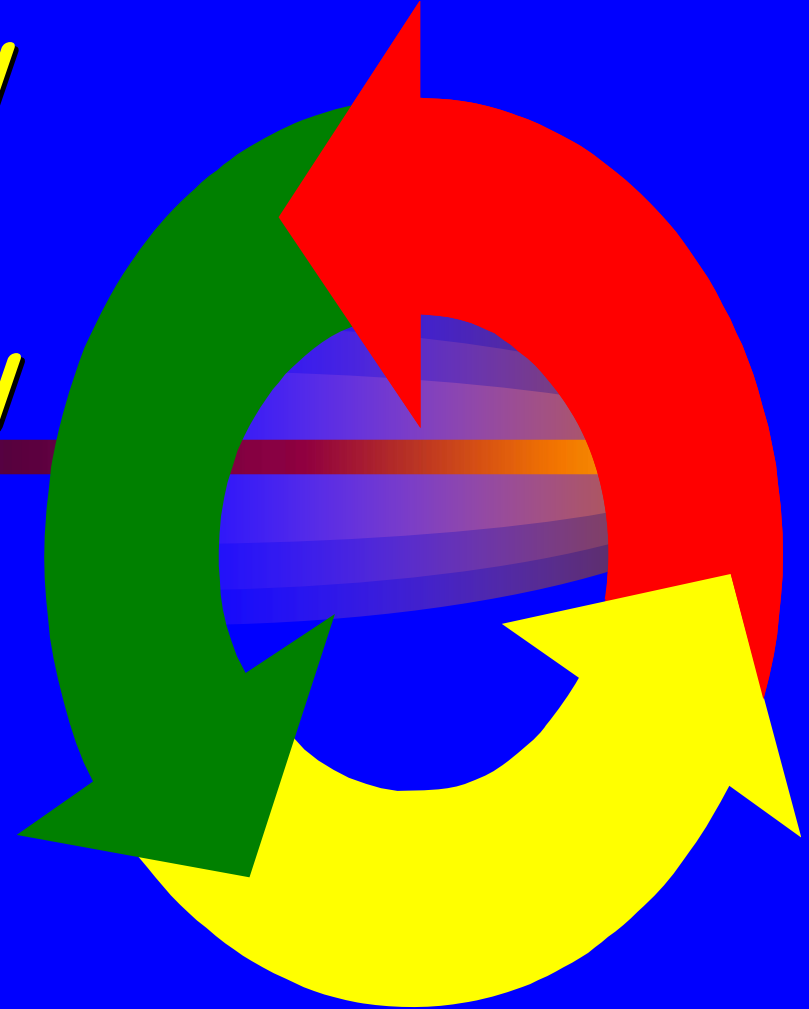
# *National Level*

- **Integration**
- **Uniformity**
- **National voice**
- **Support services**



*Credit Union  
member is Universal  
How and Why?*

- 1. Community Level*
- 2. National Level*
- 3. Regional Level*
- 4. Global Level*



# **Credit Union Level**

**Affiliated to Regional or  
National Federation**

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- **Representation**
- **Technical support**
- **Promotion**
- **Financial Services**
- **New Innovation**



## National Level

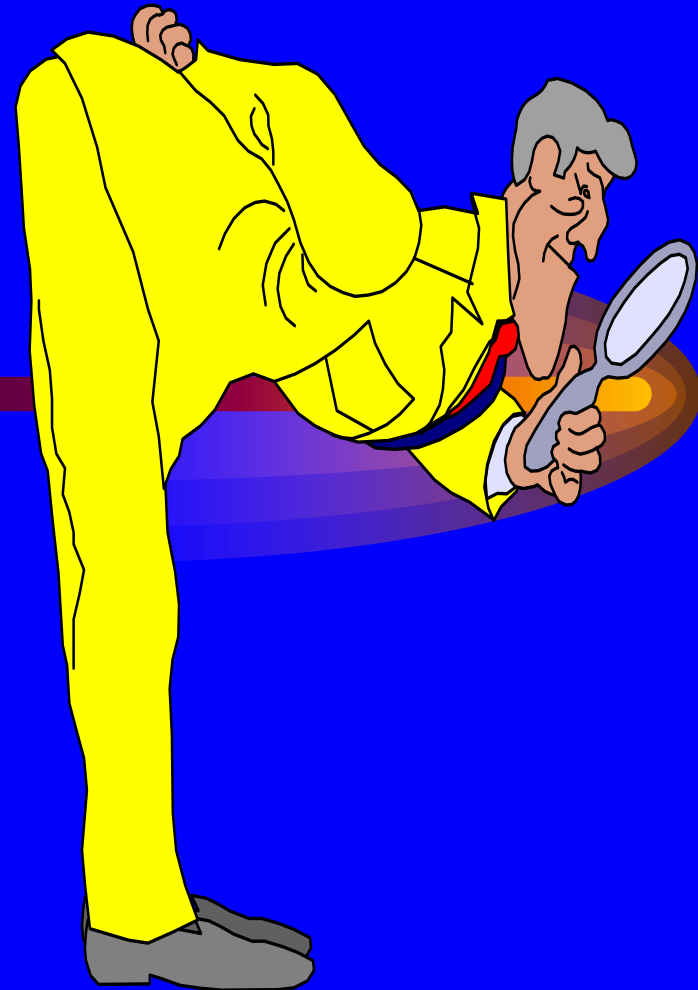
- Affiliated to Regional
- Regional Representation
- Technical support
- **Promotion**
- New Innovation
- Updates on Global perspectives
- Linkage with other countries
- Information



# Global Level

**Affiliated to World Council of Credit Unions**

- **Worldwide Representation**
- **Technical support**
- **Promotion**
- **New Innovation**
- **Updates on Global perspectives**
- **Linkage with other countries**
- **Information**



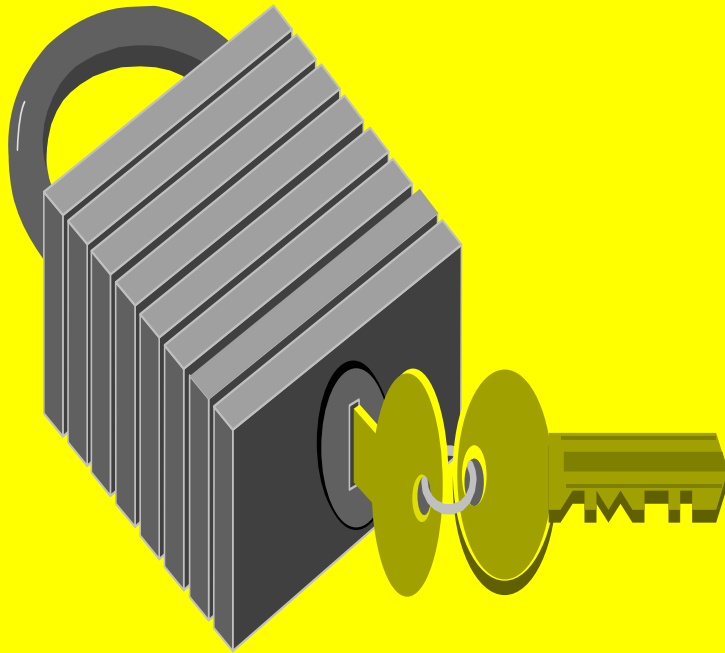
# Future Leaders in Credit Unions

- ☺ Exchange Program -
- ☺ Regional Training for Future Leaders
- ☺ In-Country Training
- ☺ Regional Taskforce Committee
- ☺ Product Development



# Current Changing Environment effects to Credit Coop.

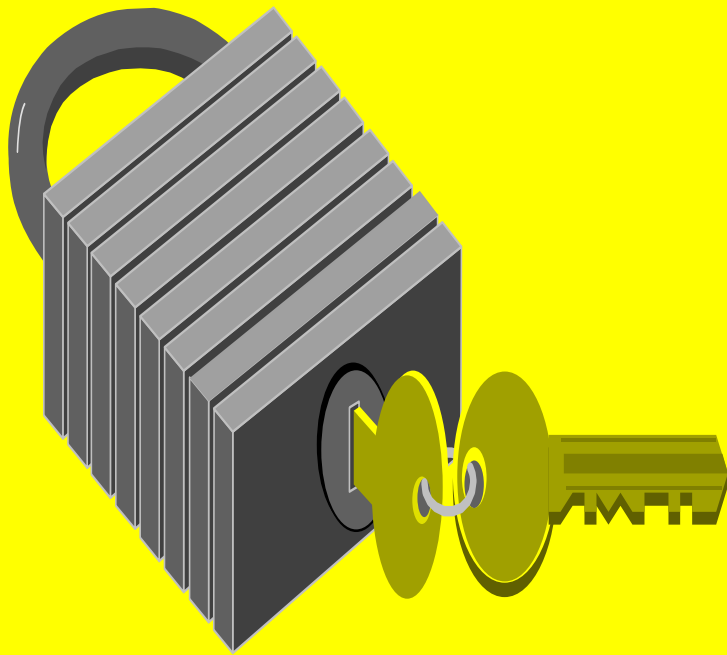
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- *Internal Factors*
- *Social Orientation rather than Business*
- *Limited Share Capital*
- *Pricing policies*
- *Administration and Financial Policy*
- *Human resources*
- *Aging leaders in CUs*



# **Current Changing Environment affects to Credit Coop.**



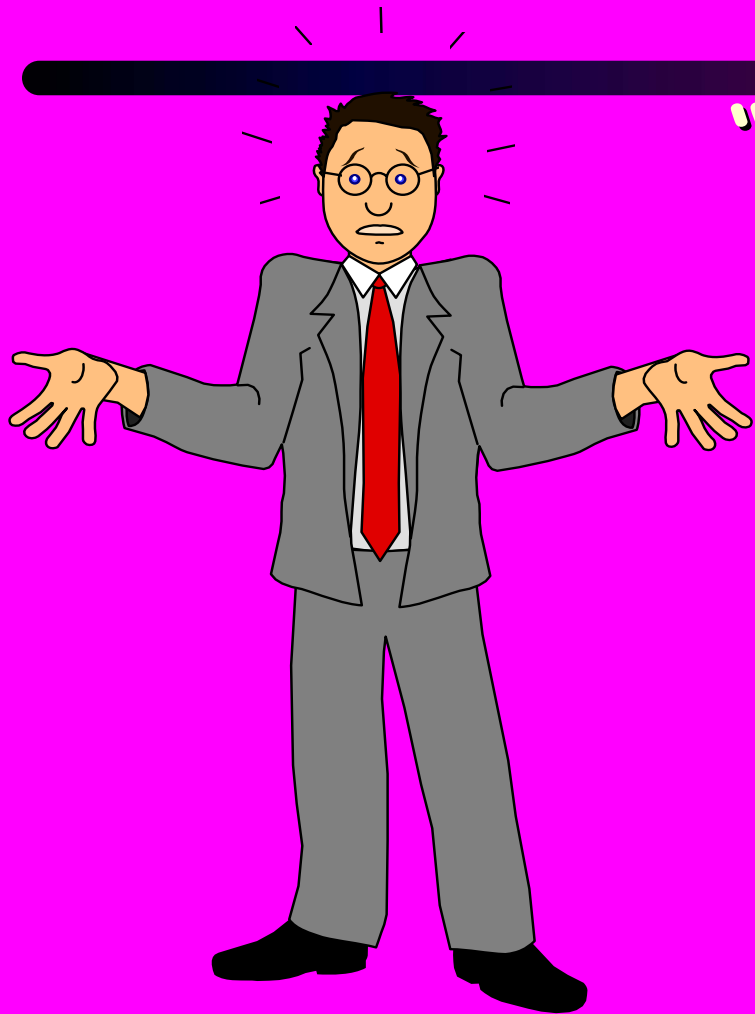
- ***External Factors***
- ***Special window of Central Bank for MFI***
- ***External Liquidity to Village through NGOs***
- ***Poor image for Coop.***
- ***Government controlling***
- ***Government restriction***
- ***Limited resources***
- ***Changing social values of young generation***

# Possible solution and Recommendation to the Youth



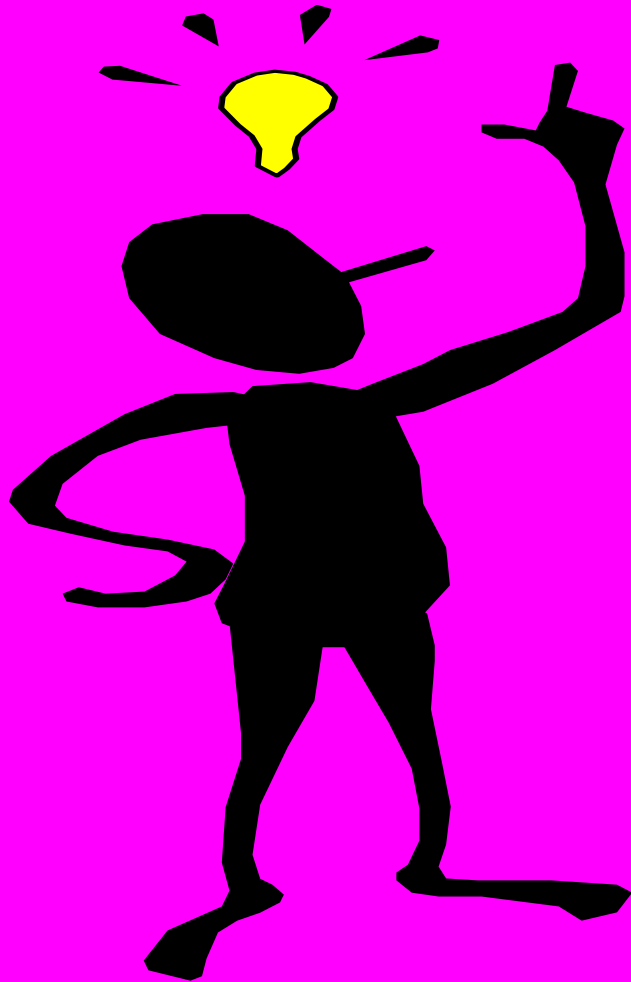
- *Promotion of Youth Membership in Asia*
  - *Youth Day in CUs*
  - *Youth association -primary, national & regional level*
  - *New innovative product attracting youth*
  - *Youth -Leaders Dialogue*
  - *Campaign, sports, cultural presentation*
- *Motivation to universities, college, youth associations*

# Conclusion



"Credit union couldn't market to the youth because of philosophy only. They must have quality and efficacy in the market"

**Thanks for not snoring while  
sleeping...it could have disturbed me!**



**" the time has  
come to decide  
your destination.  
Destination is not  
money to make  
better future for  
all!!!"**