

Microfinance Innovation in Credit Unions

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Imagine a small daily savings can make a big difference
in the future.



Mission of a Credit Union



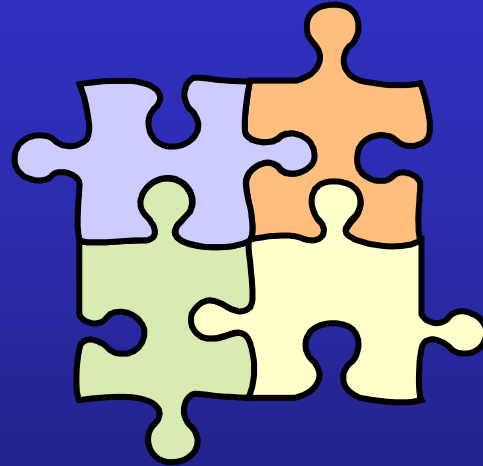
The Human Difference

“ENABLING PEOPLE TO GROW”



Asian Confederation of Credit Unions

The Credit Union Jigsaw Puzzle



**How do we enable people
to grow?**





What is the true Common Bond of Credit Unions?



It Consists of Mutual Financial Needs



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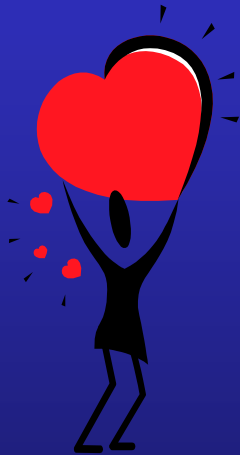
F. W. Raiffeisen (1818 - 1888)

“Credit Unions must not confine themselves to granting loans. Their main objectives should be to control the use made of money, and to improve the moral and physical values of people, and also, their will to act by themselves.”





How can credit unions empower members



–Enabling
them to
grow

W^{ealth} Accumulation



What are we really aiming for?



- Building better communities through the credit union/coops
- Making our financial services available for everyone....That is our Mission...



ACCU



Value-Added Services

ACCU as the regional organization for credit coops
supports our members
To reach their potentials and be relevant to their
members....



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Value-Added Services

One of our value added services to members

**BRING CRITICAL ISSUES THAT AFFECT THE GROWTH
& SUSTAINABILITY OF CREDIT UNIONS**





THE ISSUE in Asia, about 900 million people are living in poverty.



Credit Unions Map in Asia

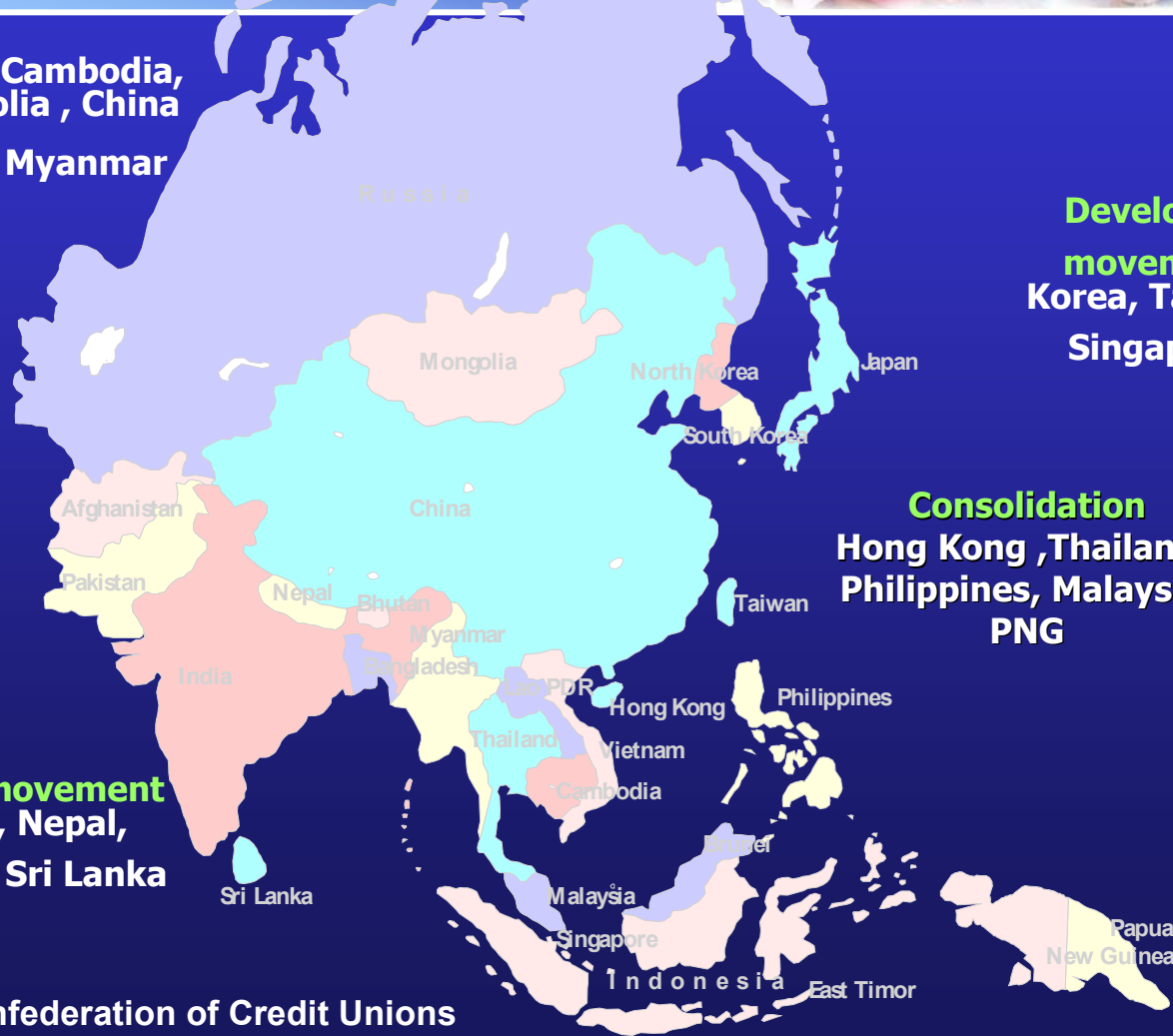


New area: Laos, Cambodia, Vietnam, Mongolia, China
Iran, Pakistan Myanmar

Developed movement
Korea, Taiwan, Singapore

Consolidation
Hong Kong, Thailand, Philippines, Malaysia, PNG

Developing movement
Indonesia, Nepal, Bangladesh, Sri Lanka



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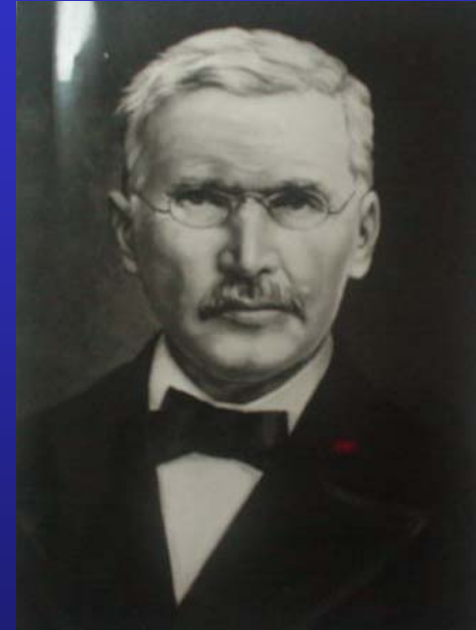
Credit unions can make a big difference on the lives of the many people in Asia.



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In fact, credit unions are the first microfinance institution in the World with 150 years history...



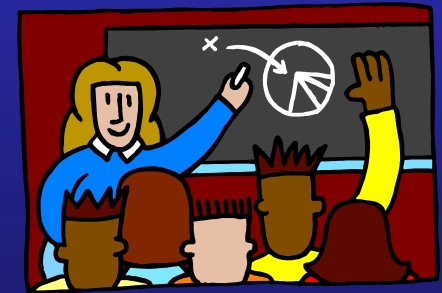
*The Credit Union pioneer
Wilhelm Raiffeisen*





Since 1995, the issue has been brought to members.... Various initiatives had taken place.....

...Awareness building



In 2007 it has evolved



Eight countries: Nepal, Bangladesh Sri Lanka, Vietnam, Laos, India, Indonesia and Philippines

We signed an MOU with partner credit unions:

- **Willing to innovate**
- **Positive/transformational leaders**
- **Assign staff for the Microfinance program**
- **Allocate fund for loans**



The Product



Microfinance Innovation

A specially designed product that provides sustainable and affordable access to both savings and credit to entrepreneurial poor that do not have access to formal financial institutions.



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 (Learn and save)
- Economically active (Entrepreneurial or Laboring Poor)
- 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



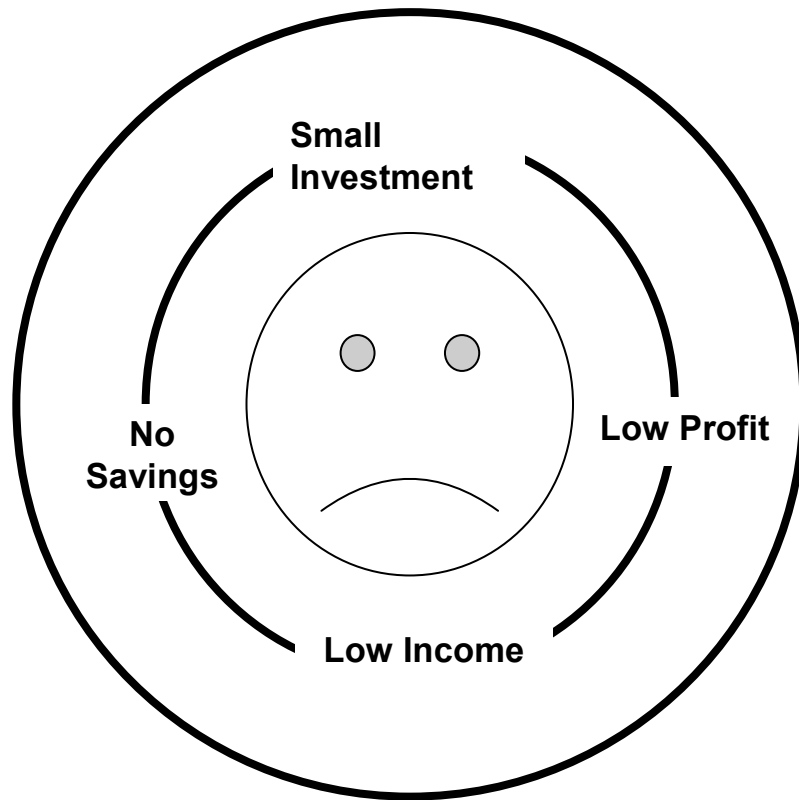


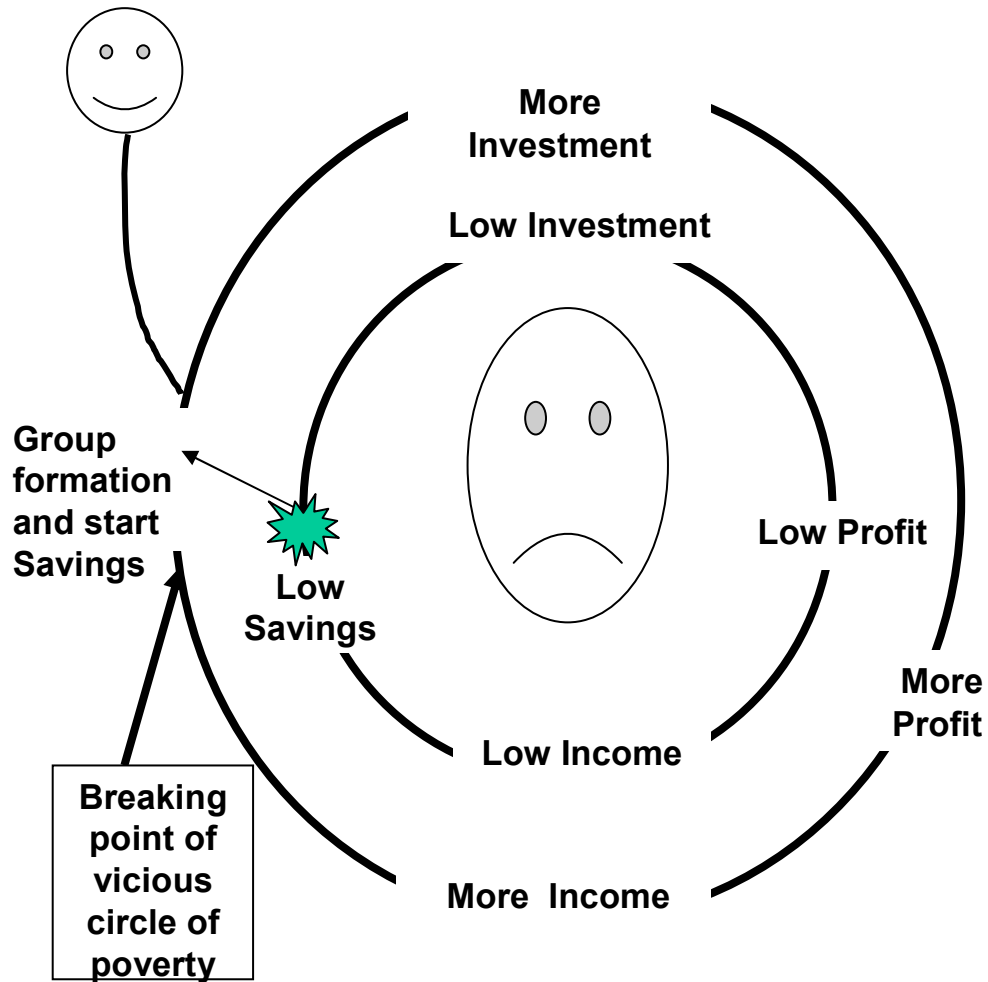
Our innovation in the Microfinance is....

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



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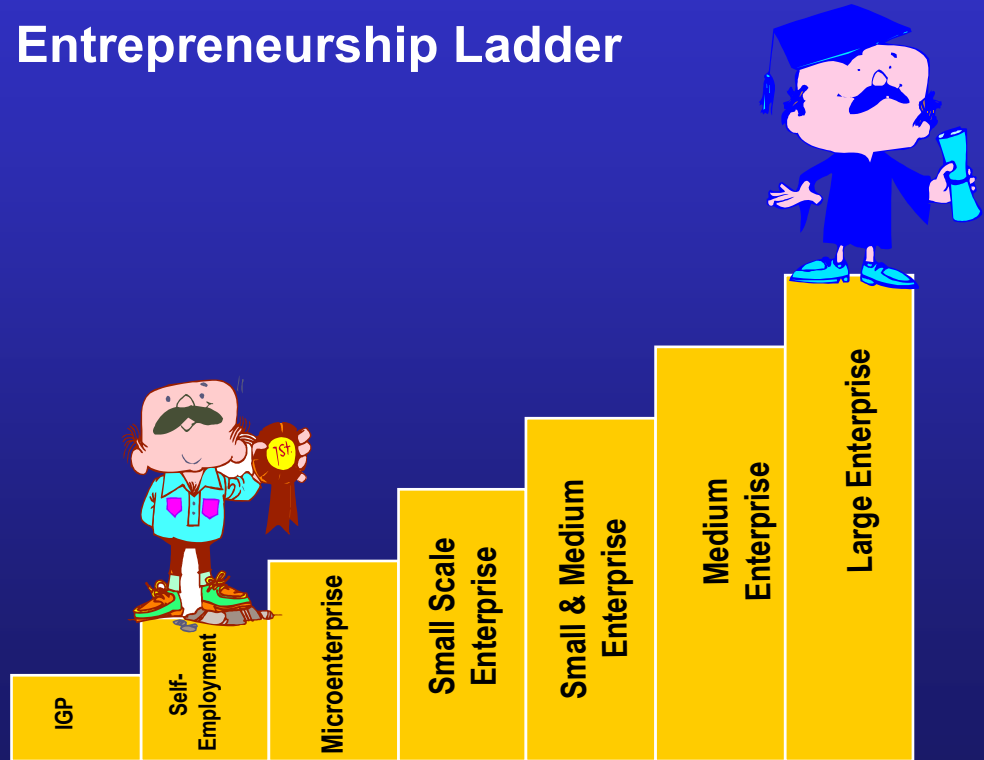


Our innovation in the Microfinance is....



Built in a support for entrepreneurship graduation

Entrepreneurship Ladder



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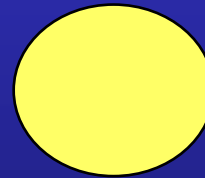
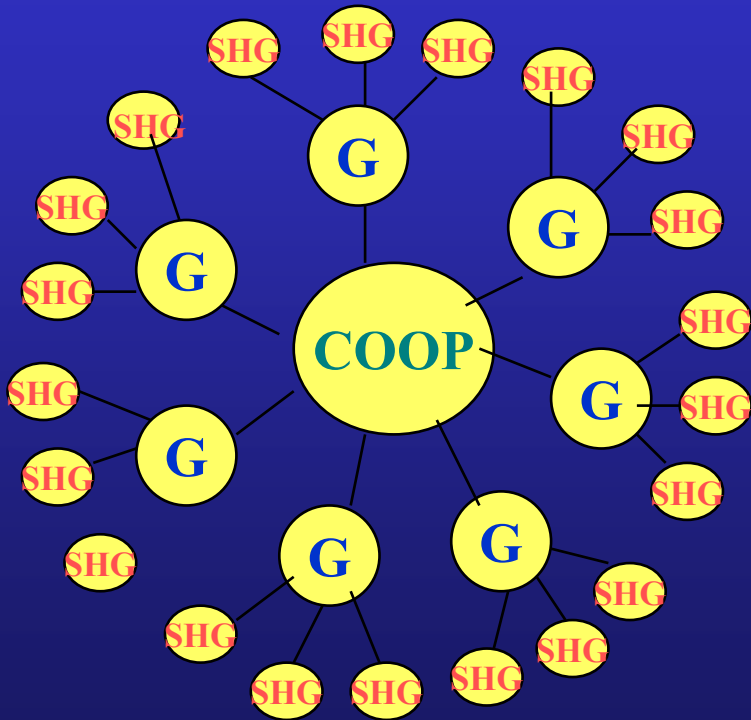


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Our innovation in the Microfinance is....



We give more emphasis on group network



Coop Level



Group Level



SHG Level

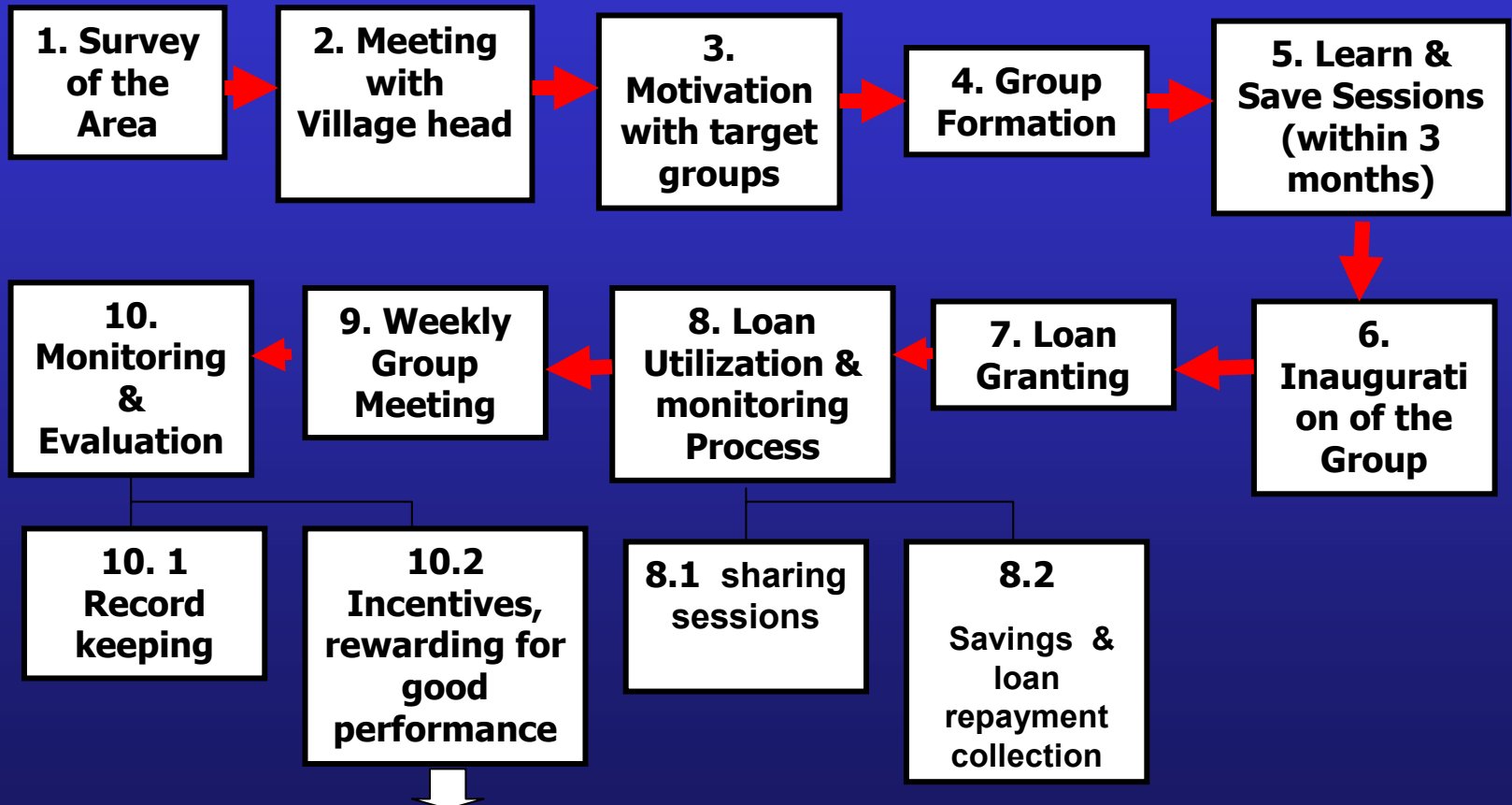


Poor people need only
an OPPORTUNITY...



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Microfinance Methodology



Empowerment=Graduation as Regular Member of CU





Our modest achievement.

Our partnership with members enabled “Have Less” build wealth through savings and access an affordable financial services.

A Savings Based Approach to Microfinance



Raiffeisen on Savings:



“Many drops form first a Creek...

Then a Stream....

And finally, a River”

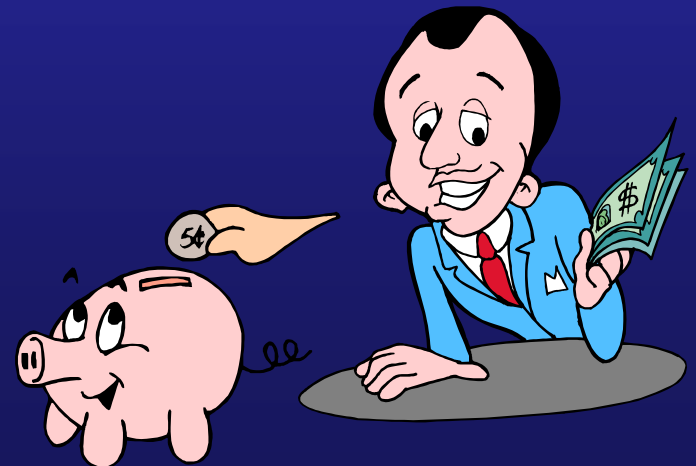


Credit Union Mission



The means of improving the lives of the credit union members:

access to affordable financial services



Credit Union Mission



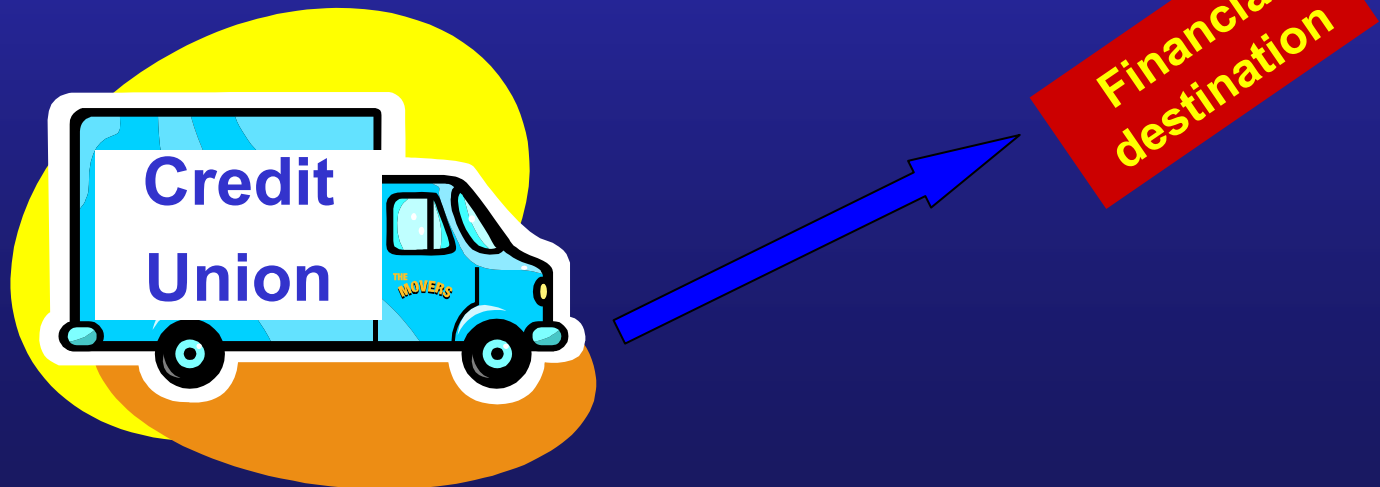
We are in the business to help people improve their lives through realizing their financial goals.



Credit Union Mission



The credit union provides vehicle;
the members use it to arrive at their
financial destination.



In Asia CUs ...



No. of coops adopted program	:	32,262
Increase in Membership (78 % female)	:	5,301,798
Savings Mobilized Million	:	US\$ 127.
Total Loans Granted Million	:	US\$ 525
Delinquency —one day missed payment	:	6.5%





**The lessons learned and the challenges
will be shared by our partners...
ACCU is involved Micro summit impact
assessment program ...**





We've travel long enough, but still we have a long way to go.....



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**Thank you very much and we
would be very pleased to
answers any questions you
may have...**





Thank you.



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