

The State of the Coops doing Savings and Credit

Who's Who?

- 6.5M individual members of the coops with S/C
- 7,248 (68% of 10,675) of the coops with savings and credit functions
- 49 federations with savings and credit functions (48% of 102)
- 2 insurance cooperatives
- 29 cooperative banks, with ongoing consolidations
- 1 mutual fund (NCMF)

Who's Who?

- 1 CODIS
- 2 federations are members of the Megalink Network
- 5 Coop Party List in Congress
- NAPC Coop Sector Council
- National Cooperative Development Councils
- CDA with 535 personnel complement

Structure

	Amount (10,675 Coops)	Amount (7,247 Coops)	Over All Coops	Over Financial Coop
ASSETS	247,394,876,485	218,158,454,818	88%	100%
DEPOSIT LIABILITIES	65,242,567,313	65,242,567,313	100%	30%
PAID UP CAPITAL	72,117,989,059	66,918,008,519	93%	31%
NET SURPLUS	15,979,204,635	13,997,010,893	88%	6%
GENERAL RESERVE	12,807,647,506	10,255,639,272	80%	5%
MEMBERS OUTREACH	7,596,746	6,530,232	86%	

Breakdown by Asset Size

Size	# Of Coops	%	Amount	%	Average Asset
Large	355	5%	154B	70.8%	435M
Medium	1,212	17%	44.9B	20.6%	37M
Small	2,122	29%	15B	6.9%	7M
Micro	3,559	49%	3.8B	1.7%	1M
TOTAL	7,248	100%	218B	100.0%	

Access Points

- At least 1 coop office with savings and credit functions is present in **72%** of the municipalities and cities
- Total of at least **8,374** access points

Note: ARMM data will increase access points, as well as branches of cooperatives

	Region	Total No. of Cities and Municipalities	No. of Cities and Municipalities with at least one coop office	Coverage	% Distribution per Region
	NCR	17	17	100%	1%
	CAR	77	55	71%	5%
I	Ilocos Region	125	114	91%	10%
II	Cagayan Valley	93	65	70%	6%
III	Central Luzon	130	122	94%	10%
IV-A	CALABARZON	142	123	87%	10%
IV-B	MIMAROPA	73	52	71%	4%
V	Bicol Region	114	75	66%	6%
VI	Western Visayas	133	95	71%	8%
VII	Central Visayas	132	107	81%	9%
VIII	Eastern Visayas	143	64	45%	5%
	Zamboanga Peninsula	72	58	81%	5%
IX	Northern Mindanao	93	76	82%	6%
X	Davao Region	49	43	88%	4%
XII	SOCCKSARGEN	50	40	80%	3%
XIII	Caraga	73	58	79%	5%
	ARMM	118	8	7%	1%
		1634	1172	72%	100%

Region		Number of Coops Present	NO. of branches/satellites	Total Number of Offices	% Share to Total
	NCR	834	199	1033	12%
	CAR	397		397	5%
	Ilocos Region	466	76	542	6%
	Cagayan Valley	262	32	294	4%
	Central Luzon	694	69	763	9%
	CALABARZON	839	94	933	11%
	MIMAROPA	296		296	4%
	Bicol Region	277	27	304	4%
	Western Visayas	421	14	435	5%
	Central Visayas	600		600	7%
	Eastern Visayas	174	101	275	3%
	Zamboanga Peninsula	250	97	347	4%
	Northern Mindanao	610	185	795	10%
	Davao Region	568	111	679	8%
	SOCCKSARGEN	248	84	332	4%
	Caraga	304	17	321	4%
	ARMM	8		8	0%
		7,248	1,106	8,354	100%

	Region	Total Assets	Net Loans Receivable	% Share to Total
	NCR	63,552,945,846.52	38,131,767,507.91	29%
	CAR	11,085,028,481.84	6,651,017,089.10	5%
I	Ilocos Region	8,485,011,592.88	5,091,006,955.73	4%
II	Cagayan Valley	9,175,835,091.68	5,505,501,055.01	4%
III	Central Luzon	14,944,840,615.92	8,966,904,369.55	7%
IV-A	CALABARZON	16,860,017,911.48	10,116,010,746.89	8%
IV-B	MIMAROPA	3,334,592,329.21	2,000,755,397.53	1.50%
V	Bicol Region	3,686,576,342.05	2,211,945,805.23	1.70%
VI	Western Visayas	8,501,245,851.18	5,100,747,510.71	4%
VII	Central Visayas	21,715,630,890.33	13,029,378,534.20	10%
VIII	Eastern Visayas	7,180,393,784.31	4,308,236,270.59	3%
IX	Zamboanga Peninsula	4,710,692,085.67	2,826,415,251.40	2.20%
X	Northern Mindanao	18,686,105,033.95	11,211,663,020.37	9%
XII	Davao Region	16,345,456,070.55	9,807,273,642.33	8%
XII	SOCCKSARGEN	6,112,819,428.84	3,667,691,657.30	3%
XIII	Caraga	3,550,279,028.77	2,130,167,417.26	1.60%
	ARMM	230,984,434.01	138,590,660.41	0.11%
		217,927,211,264.19	152,710,918,373.43	100%

PINCS

- Fragmented sector
 - Many federations
 - Not all coops are affiliated
- Low adoption of the risk management framework
- Territorial management
- Code of Conduct for Coops
- No insurance deposit coverage

PINCS

- Participation of cooperatives in local special bodies (RCDC, CDC, RD)
- Competitiveness of cooperatives
 - “Banking system” is driven by technology/fast changing technology/expensive technology/mobile technology
- Stiff competition from microfinance NGOs, other financial institutions; banks MOA with LGU
- Ethical standards for coop external auditors

GOVERNANCE

- Mission drift/diminished coop identity/unclear vision-mission
- No succession planning- aging leadership, lack of young officers
- Delineation of roles of board and management
- Political dynamics/issues/internal politics

HUMAN RESOURCE

- Low investment in the development of the KSA of the staff
 - Succession
 - Nepotism
- Lack of personnel for micro and small coops
- No general manager

FINANCIAL STATUS

- Low institutional capital
 - Insufficient allowance for probable losses
- Inflated asset value
- Excessive/idle cash for some large coops
- Financial sustainability

High portfolio at risk, estimated at >25%

Challenge in managing liquidity

Difficulty in collecting financial status of cooperatives

REGULATION

- Tax exemption not interpreted the same way by BIR
COOP-PESOS
SCA
- Challenges in renewal of CTE
Appropriateness of the standards
- Financial reporting framework for coops still needs to be finalized
Implementation of the regulations (IRR)
Implementation of CISA

REGULATION

- Appropriate regulatory support especially with the deposit taking functions of the savings and credit coops
 - Remittance of CETF
 - Use of the unremitted CETF
 - Preferably remitted
 - Law/compliance to the data submission requirements
 - Mandatory training program for coops with savings and credit (new IRR)
- No enabling law for stabilization fund, though this is found in the section for financial cooperatives

MARKETING

- Low growth in membership
- No common brand/marketing program
- Limited market share (6M members out of the total population and or 50% of the population)

Members are not well informed of coop rules and regulations/policies

STATE OF IT

- 4 federations promoting softwares

- NATCCO with Ekoopbanker/plus
- MASS-SPECC with MSRTE
- PFCCO
- VICTO

Primary Coops having their own software

Top 50 coops have different softwares

STATE OF IT

NATCCO and MASS-SPECC able to do mobile banking, POS, ATM through MEGALINK

Other cooperatives linked with other providers like VICTO with COOPNet

- Banks putting POS in cooperatives

The State of the Micro Coops

- 71% of the total micro are not able to submit CAPR
 - EQUIVALENT to 55% of the total registered cooperatives
- 49% of those doing savings and credit are MICRO
- Average asset of 1M
 - Incomplete staff complete; probably no general manager
 - Difficulty in having operational systems

THANK YOU