



ASIAN CREDIT UNION FORUM

2022

Greener, Inclusive, Resilient Path to COVID-19 Recovery

August 29 - September 1, 2022 - Thailand

Lessons Learnt from the COVID-19 Pandemic from a Financial Stability Perspective

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CEO, Oro Integrated Cooperative - Philippines





Lessons Learnt from the COVID-19 Pandemic from a Financial Stability Perspective

Asian Credit Union Forum 2022

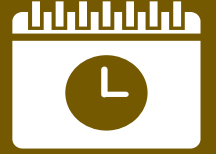
"Greener, Inclusive, Resilient Path to COVID-19 Recovery"



Our Humble Beginnings...

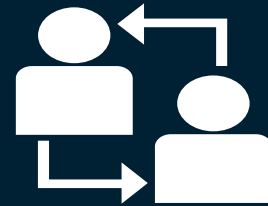


Organized in March 1966 and registered as **ORO CREDIT UNION**



Started by 28 founding members in Cagayan de Oro City with Php 88.00 start-up capital

Established as the first open type "community based" coop in Northern Mindanao



Changed its name to **ORO INTEGRATED COOPERATIVE** or more known as **OIC** in 1991

OlC Today & Beyond...



183,600
members and
growing



20 branches
located in
MINDANAO &
VISAYAS area
(17 in Mindanao /
3 in Bohol)

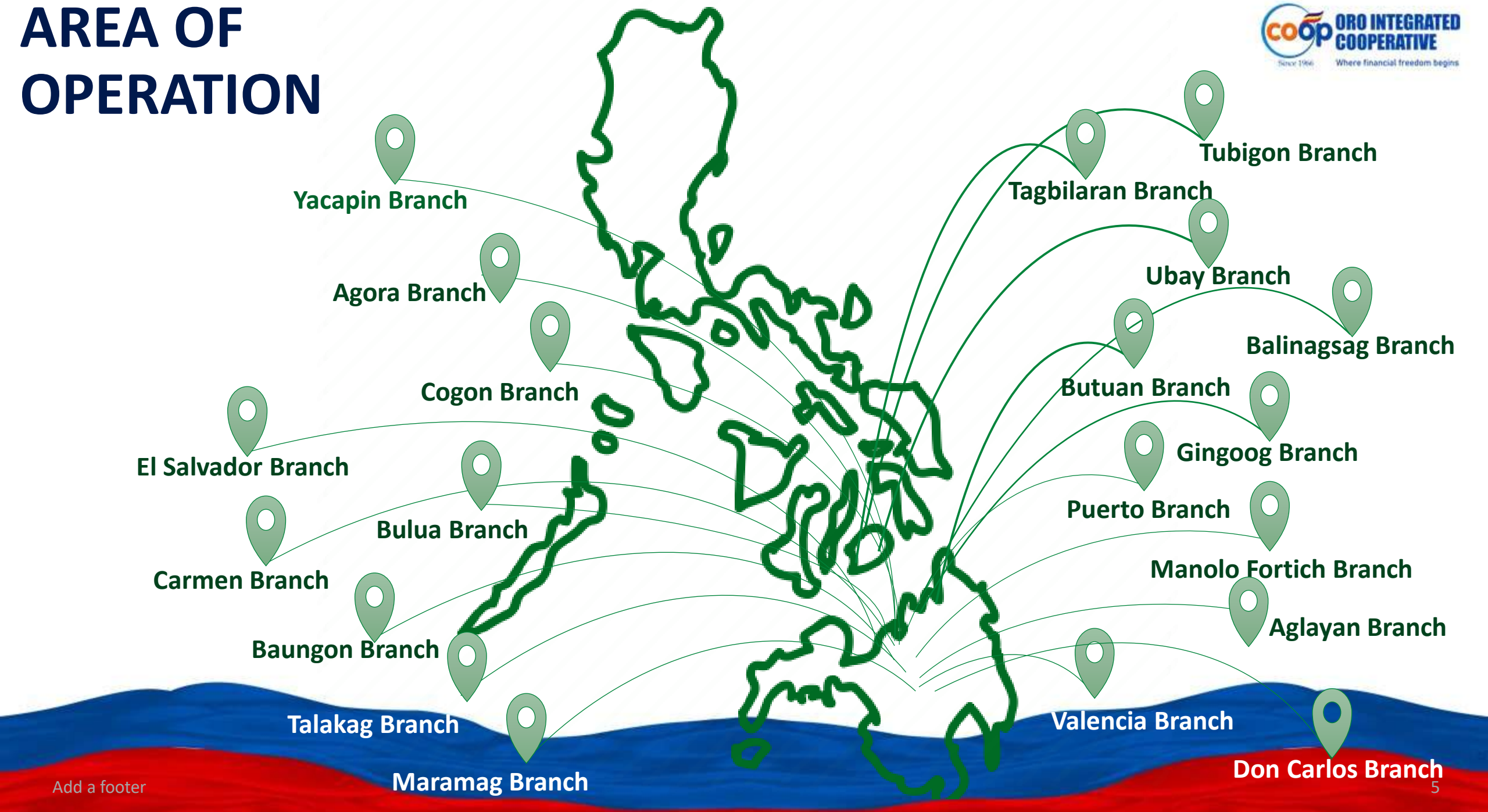


Php 8.1
Billion in
ASSETS



Php 440M
Net Surplus

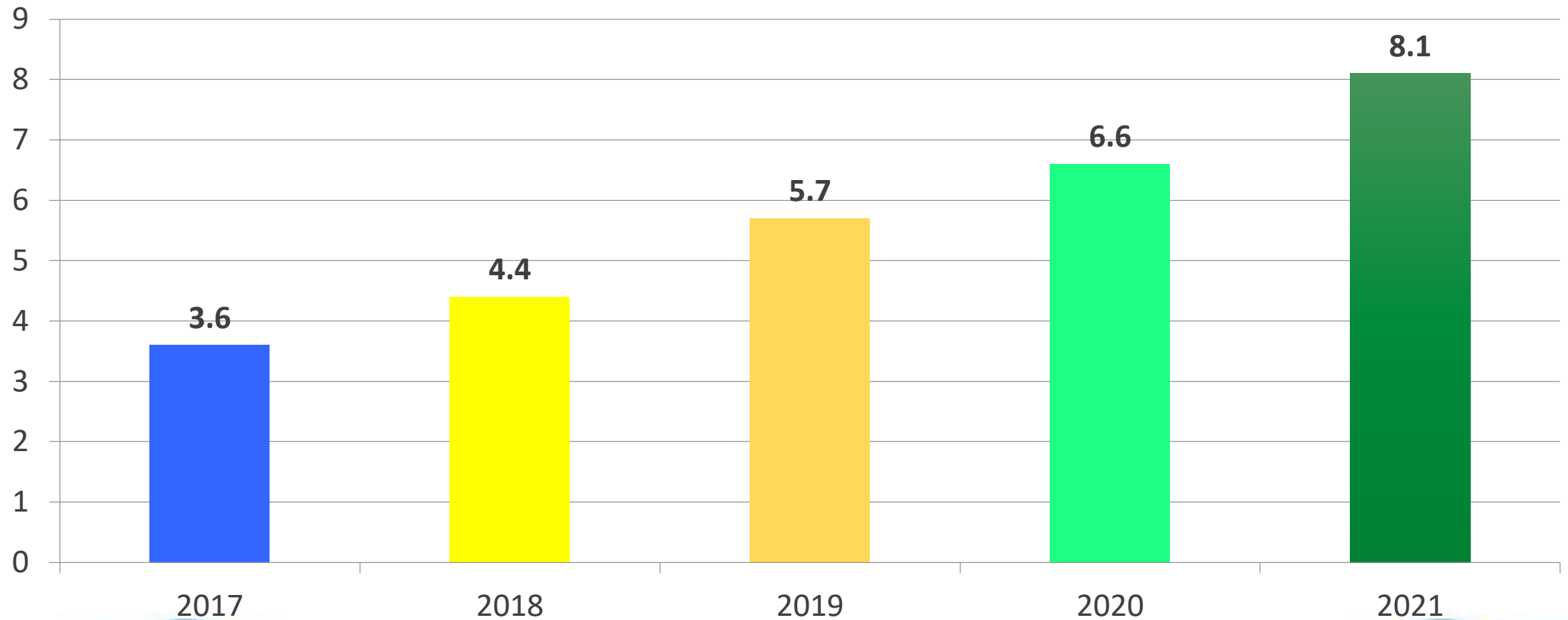
AREA OF OPERATION



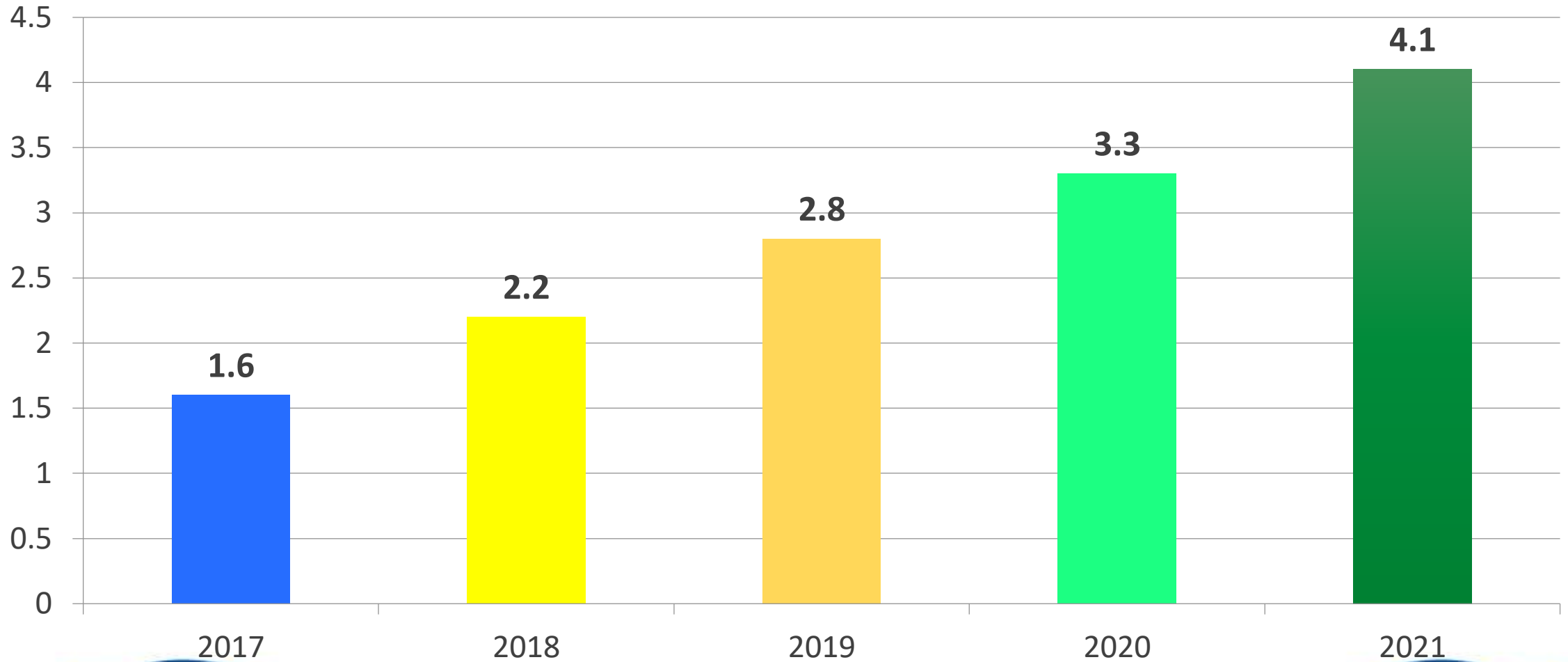
COMPARATIVE KEY FINANCIAL HIGHLIGHTS



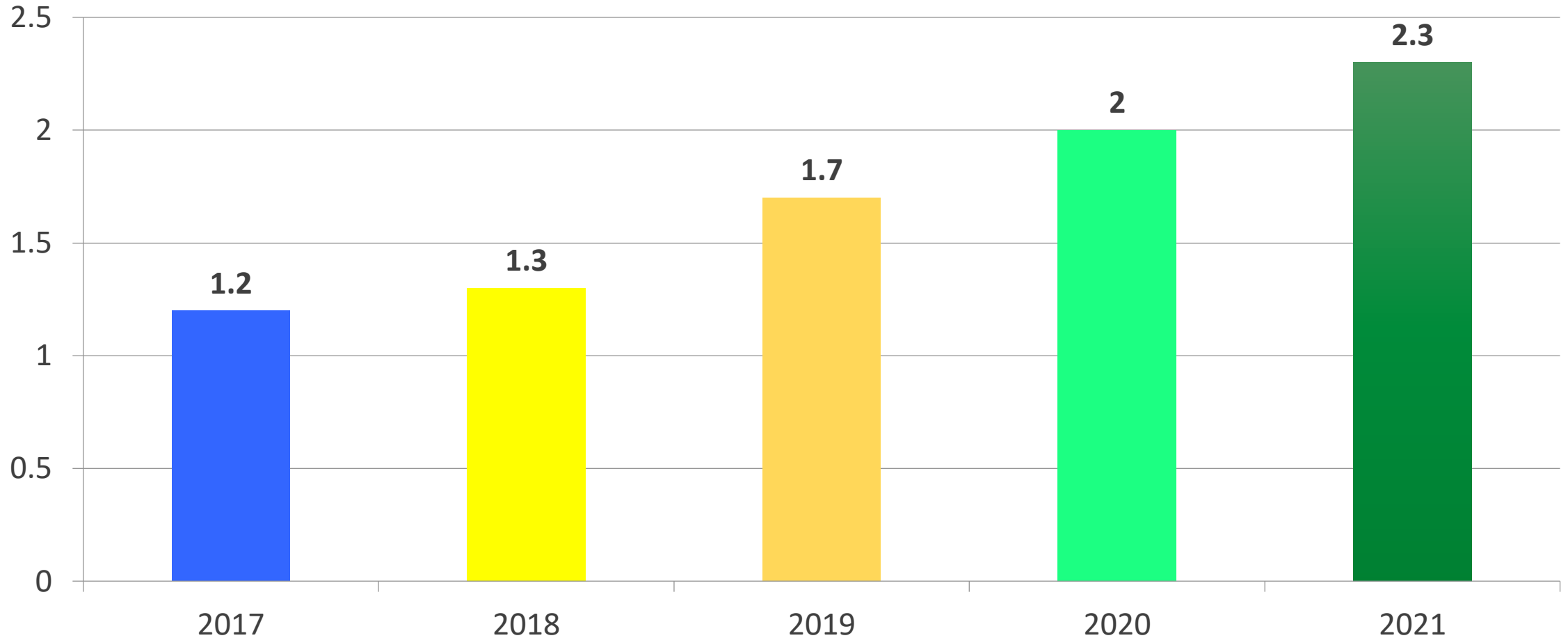
ASSETS in billion



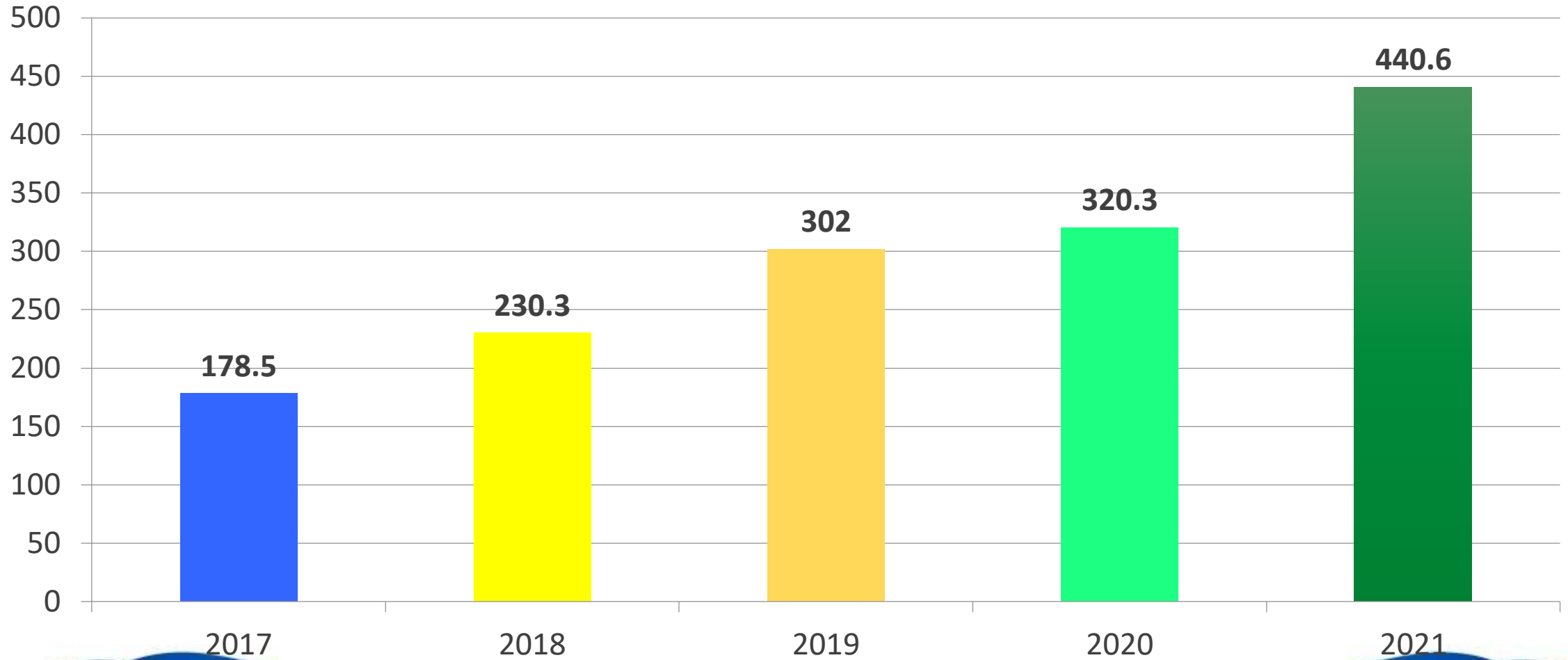
DEPOSITS in billion



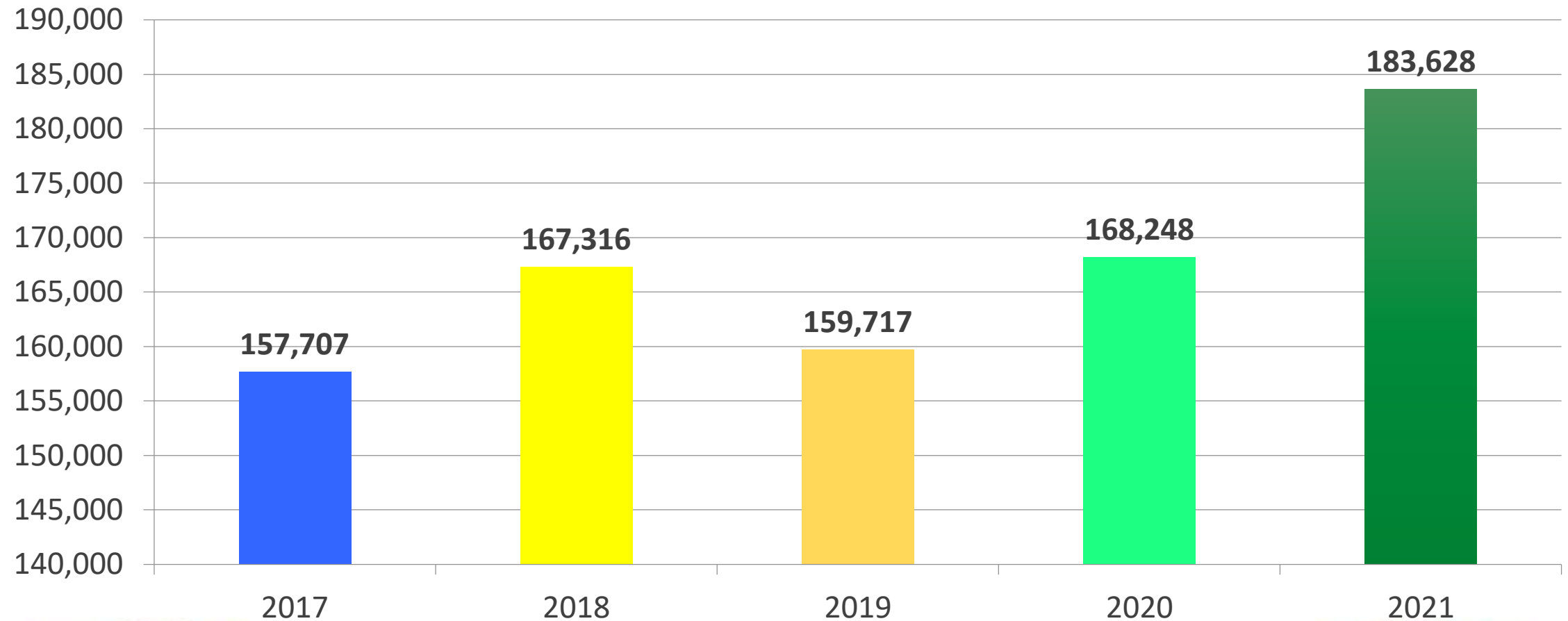
SHARE CAPITAL in billion



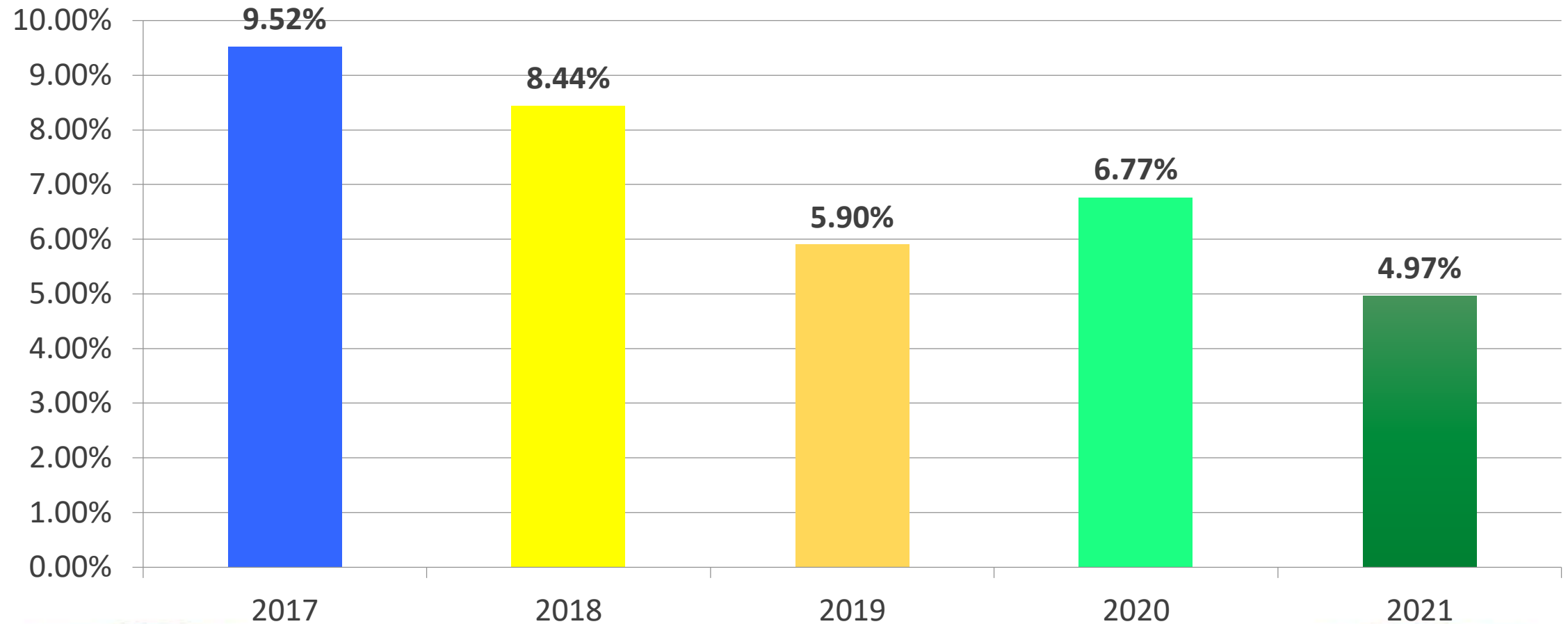
NET SURPLUS in million



NO. OF MEMBERS



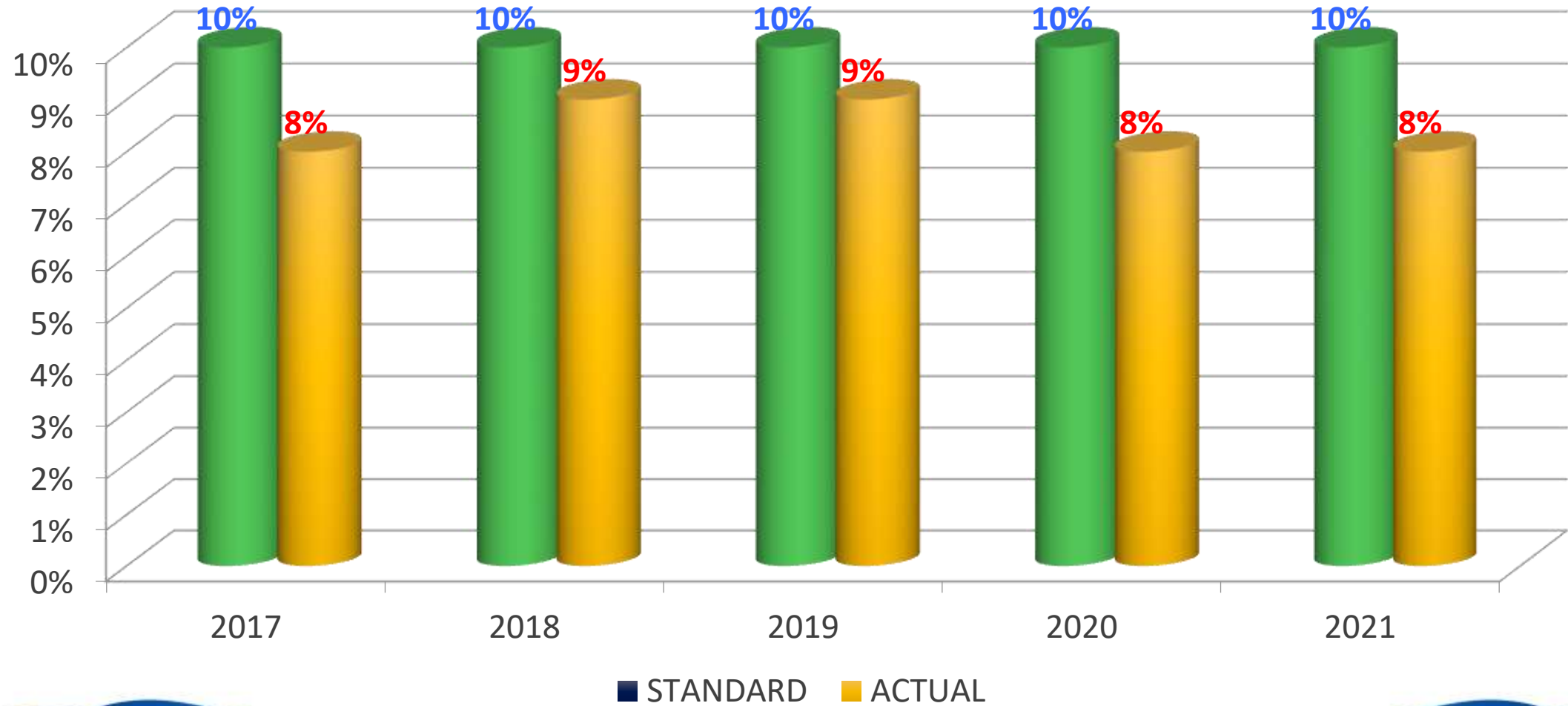
DELINQUENCY @ PAR 1DAY



FINANCIAL RATIOS

				Dec-15	Dec-16	Dec-17	Dec-18	Dec. 2019	Dec-20	Dec-21
Financial Indicators - Ratios										
A1	Asset Quality	Delinquency PAR 1	≤5%	18%	15%	10%	8%	6%	7%	5%
		Delinquency PAR 30	≤5%	16%	13%	9%	7%	5%	6%	4%
P1	Protection	> 12 months	100%	100%	100%	100%	100%	100%	100%	100%
P2	Protection	1-12 months	35%	35%	36%	46%	58%	76%	59%	76%
P6	Protection	Solvency	≥110%	119%	118%	118%	112%	112%	111%	118%
E9	Effective Structure	Net Institutional Capital	≥10%	11%	9%	8%	9%	9%	8%	8%
A2	Asset Quality	Non-earning assets	≤5%	6%	8%	8%	7%	6%	5%	3%
L1	Liquidity	Liquidity -Savings	15%-20%	55%	68%	31%	24%	22%	24%	22%
		Liquidity -Asset	≥10%	25%	31%	14%	13%	11%	12%	11%
E1	Effective Structure	Loans	70% - 80%	57%	52%	65%	68%	74%	75%	77%
E5	Effective Structure	Deposits	55%-65%	45%	46%	46%	51%	50%	51%	51%
E7	Effective Structure	Share Capital	35%-45%	34%	35%	35%	30%	30%	31%	29%
E6	Effective Structure	External Borrowings	0%	0%	0%	0%	1%	2%	1%	2%
R7	Rates of returns and costs	Dividends	≥ Inf Rate	6%	7%	8%	9%	10%	8%	12%
R9	Rates of returns and costs	Operating expenses	3%-10%	3%	6%	6%	7%	6%	5%	5%
R10	Rates of returns and costs	ROA	≥ Inf Rate	2%	5%	5%	6%	6%	5%	7%

NET INSTITUTIONAL CAPITAL



CHALLENGES TO ACHIEVE THE STANDARD NIC



Assets grew faster than Net Surplus



Allocation from Net Surplus reduced to give priority to Dividend and Patronage refund distribution

COVID-19 PANDEMIC

Challenges

Learning,
realization and
appreciation

CHALLENGES EXPERIENCED BY THE MEMBERS



Members are unable to do business at the office owing to a countrywide lockdown.



Difficulty in making monthly loan payments



Due to health constraints, business has stalled

CHALLENGES EXPERIENCED BY THE MEMBERS



Lost of livelihood/job/income



Member or his/her family member
was infected with the disease



Death of member or his/her family
member

CHALLENGES EXPERIENCED BY THE COOP



Absence of Business Continuity Plan for infectious disease



Travel restrictions due to lockdown



Banking operation is not yet ONLINE



Collection problem that resulted to increased in delinquency rate

CHALLENGES EXPERIENCED BY THE COOP



Inability of the members to pay due to temporary closure or total closure of business.



Employees were infected with COVID-19 disease

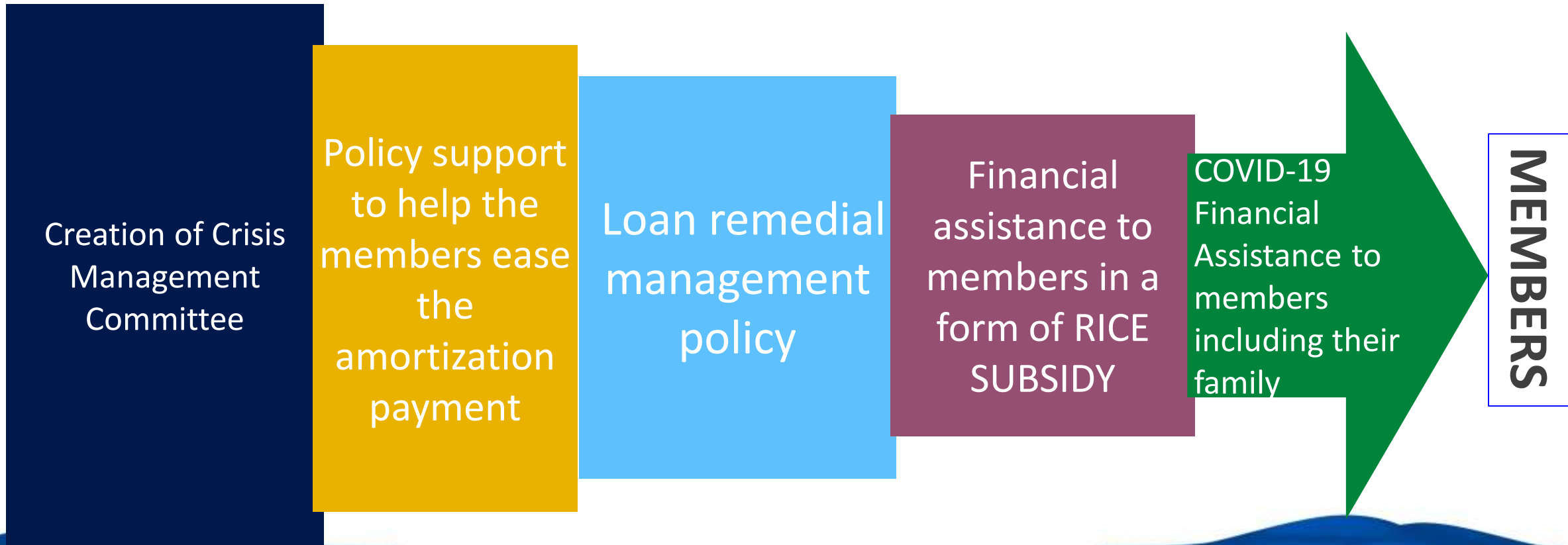


Strict implementation of social distancing and other health measures

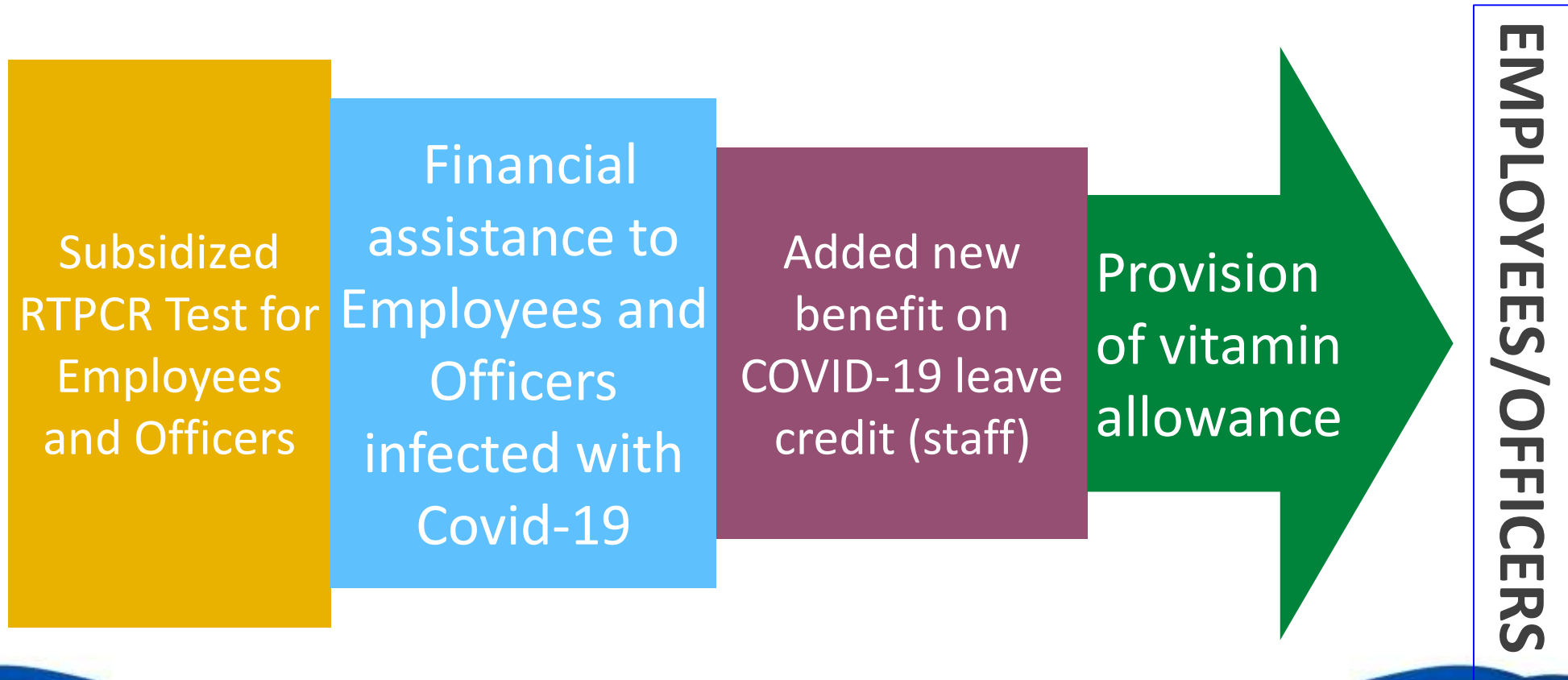


Branch offices were ordered to be closed for disinfection

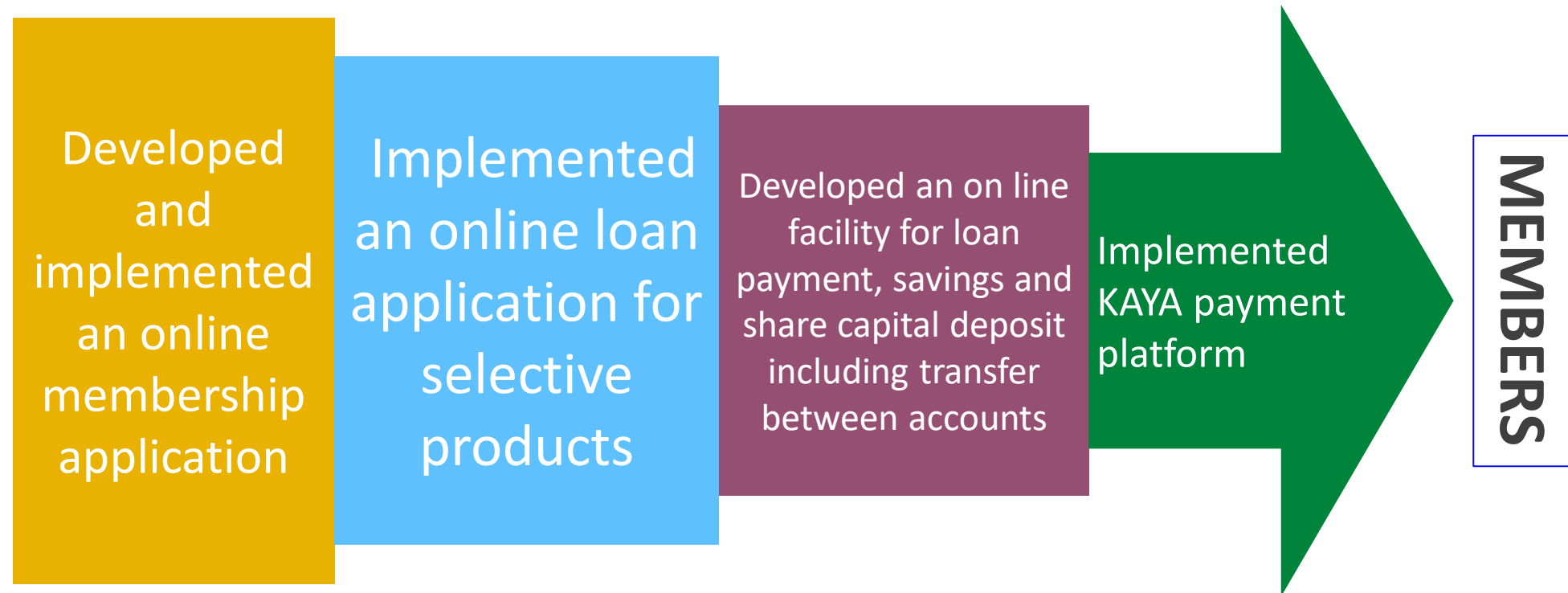
COPING MECHANISM TO MANAGE AND CONTROL THE COVID-19 SITUATION



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LESSONS LEARNT TO BE FIRMED AND RESILIENT



The importance of building up the Net Institutional Capital



The significance for practicing self-regulation and risk management



Efficiency in product mix and loan concentration management

LESSONS LEARNT TO BE FIRMED AND RESILIENT



Adherence to FINANCIAL DISCIPLINE



Employees are motivated, trained, fairly compensated and rewarded



Engagement with a strong federation that supports the need of OIC

LESSONS LEARNT TO BE FIRMED AND RESILIENT



Members are engaged, involved and educated on their duties, responsibilities and opportunities



The decision to be accredited with ACCESS Brand



The benefits of ACCESS branding application

A full-page background image featuring a dirt road that splits into two paths, leading towards a bright sun in a cloudy sky. The sun is low on the horizon, creating a strong lens flare and illuminating the clouds with a golden glow. The sky is a deep blue with scattered white and grey clouds. The ground is a light-colored dirt road with visible tire tracks, flanked by green grass and low-lying vegetation. The overall mood is one of hope, choice, and a journey towards a bright future.

ACCESS BRANDING JOURNEY

THE JOURNEY begins...



It was officially started in May 2018



It was a good decision made by the Board



The management then was very concerned on how we can move forward

THE JOURNEY begins...



Engagement with NATCCO Consultancy services that focuses on manualization of policies for Credit, HR, Fin Management and Membership and Marketing



Creation of ACCESS Team to take charge of the implementation



Doing a self-guided assessment in 2019 but we were on conditional status because of several concerns.

THE JOURNEY begins...



In 2019 more than 100 policies were approved and implemented



In 2020, at the onset of the PANDEMIC, access preparation was parked since it was overtaken by some priorities in addressing COVID-19



In 2021, the team started to regain its strength to continue after a year of battle in COVID-19

THE JOURNEY begins...



In 2022, the management in consensus, decided to request the BOD to apply for the ACCESS Accreditation



NATCCO Consultancy plays a vital in doing the intervention for coaching and mentoring



NATCCO and PFCCO auditors conducted the audit and they recommended for BRONZE accreditation

THE JOURNEY begins...



ACCESS team from Thailand conducted the first ever virtual validation. They affirmed the auditors recommendation with conditions



OIC has accomplished the remaining conditions



ACCESS Team from Thailand granted OIC with **BRONZE accreditation.**

Some benefits and advantages



Fast-tracking the formulation and approval of policies



Improving the quality of services to the members' including their benefits



Promoting financial literacy and building wealth

The benefits and advantages



Building good cooperative image



Employees are more acquainted to the mission of the cooperative



Improving the office aesthetics and file organization

In summary, Oro Integrated Cooperative (OIC) became resilient and surpassed the crises because of its strong fundamentals, such as the following:

1. Strong adherence to financial discipline;
2. Practicing self-regulation;
3. Supportive, engaged, involved members and educated on their responsibilities;
4. Highly motivated and trained employees, fairly compensated and rewarded;
5. Supportive and dedicated leaders;
6. Product diversification and loan concentration management;
7. Technical and training support from a strong federation;
8. **ACCESS** branding implementation.



Thank You. Tara na sa **OIC!**



Oro Integrated Cooperative



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