



ACCU observes the Cooperative Day of Service in honor of Friedrich Wilhelm Raiffeisen, also known as the father of modern credit unions. (Picture credits: ACCU)

## CREDIT AND BANKING COOPERATIVES IN ASIA AND PACIFIC

### What are credit and banking cooperatives?

- Credit cooperatives are user-cooperatives, falling under the category cooperative financial institutions which allow members to use basic financial services i.e., savings and borrowing, thus are also known savings and credit cooperatives.
- A cooperative bank is a stakeholder-driven financial institution owned and controlled democratically by its members. It prioritizes social development, transparency, and human well-being over profit, using alternative lending and investment standards.

### Forms of Credit and Banking Cooperatives

#### Credit Unions

- Member-owned, nonprofit financial cooperatives providing savings, loans, and financial services.
- Common in North America, Europe, and a few countries in Asia and the Pacific, regulated differently across countries.

#### Savings and Credit Cooperatives (SACCOs)

- Found mostly in Africa, Latin America, and Asia, focusing on thrift (savings) and small-scale lending.
- Operate at local and regional levels, often with limited regulatory oversight.
- Depending upon the legal structure, they may be for-profit or not-for-profit.

#### Primary Agricultural Credit Societies (PACS)

- Found primarily in India, PACS are village-level cooperative financial institutions that provide short-term credit to farmers and rural communities, supporting agricultural and allied activities.

#### Cooperative Banks

- Larger, multi-tiered financial cooperatives offering commercial and retail banking services. More prevalent in Europe and a few countries of Asia, subject to banking regulations.

### ICA-AP Committee on Credit and Banking (ICCB)

The ICA-AP Committee on Credit and Banking was constituted in 1998 to promote the development of cooperative credit and banking in the region and to recommend activities in the field of credit, banking, and finance. The committee has organized seminars, conferences, and roundtable discussions and published reports to improve the understanding of credit and banking cooperatives in the region.

Some of these include a seminar on capitalization: Challenges for Cooperative Banks in Bali, Indonesia (2014); seminars on Financial Cooperatives and Sustainable Development Goals and Regulatory Challenges faced by Financial Cooperatives in Asia Pacific (2023), and conference for Cooperatives in Financial Sector on Financial Inclusion and Digital Transformation (2024). In 2024, the Committee facilitated an exposure visit to Malaysia, to explore the credit and banking sector in Malaysia, providing participants with insights into cooperative banking models, regulatory frameworks, and financial inclusion strategies.

### Did you know?

- The first credit cooperative in Asia was established in India in 1904, followed by Japan in 1906 and the Philippines in 1915.
- The Association of Asian Confederation of Credit Unions (ACCU), established in 1971, is the regional body dedicated to strengthening credit and banking cooperatives in Asia.
- As per World Cooperative Monitor (WCM) 2023, the Top 300 rankings include 5 [Japan (2), South Korea (2), and Malaysia (1)] Credit and Banking Cooperatives based on turnover and, 16 [India (11), Japan (2), South Korea (2), and Malaysia (1)] based on turnover over GDP per capita from the Asia and Pacific region.
- The International Cooperative Banking Association (ICBA), a sectoral organization of ICA, represents credit and banking cooperatives, promoting financial inclusion, sustainable banking, and cooperation among cooperative financial institutions.
- Across 29 countries, there are 255,817 credit and banking cooperatives, with India (170,214), Indonesia (18,765), Pakistan (27,285), and Nepal (13,769) together accounting for over 90% of the total, highlighting a strong concentration in South and Southeast Asia.

## Credit and Banking Cooperatives

### SANASA: Sri Lanka's Leading Microfinance Cooperative Network

Established in 1980, SANASA, which stands for the Movement of Thrift and Credit Cooperative Societies in Sri Lanka, is the nation's largest microfinance cooperative network. It represents a diverse membership across various ethnic and religious backgrounds, impacting over 3.1 million people. SANASA has thrived despite socio-political challenges, including ethnic conflicts, by leveraging its strong community-based structure and commitment to cooperative values. Primary SANASA Societies operate autonomously, focusing on financial inclusion and grassroots empowerment. They play a pivotal role in promoting sustainable economic development through their cooperative savings and credit initiatives.



Awareness Program During SANASA Week Celebration, 2024

### Credit and Banking Cooperatives in Sri Lanka

- **Beginning:** The first credit and banking cooperative was established in 1906.
- **Present Number:** 8,424 thrift and credit societies; 1,703 rural cooperative banks
- **Supervisory Body:** The Department of Cooperative Development.

### Bank Rakyat: From Cooperative Roots to Financial Leadership



Kebun Nuri Nutrisi: Nutrition Garden Programme by Bank Rakyat launched in 2023

Bank Rakyat, Malaysia's largest Islamic cooperative bank, was founded in 1954 to uplift rural communities and promote financial inclusion. The bank serves 8.69 million customers, including 802,823 members—800,559 individuals and 2,264 cooperatives. As of FY 2023, it holds total assets of \$25.3 billion and reported a profit before tax of \$3.75 billion. Recognized as a Premier Cooperative in Malaysia 2023, it ranks among Malaysia's top 300 cooperatives and is the 275th largest cooperative and mutual organization globally. With digital banking platforms like iRakyat, sustainability initiatives in EV and solar financing, and AI-driven financial analysis, Bank Rakyat remains a leader in the banking sector.

### Credit and Banking Cooperatives in Malaysia

- **Beginning:** The first credit and banking cooperative was established in 1922.
- **Present Number:** 578 credit societies; 2 cooperative banks
- **Supervisory Body:** Malaysia Co-operative Societies Commission.
- **Apex Organization:** TANGKASA (Angkatan Koperasi Kebangsaan Malaysia Berhad) acts as the apex organization for credit and banking cooperatives in Malaysia

### Saraswat Bank: Pioneering Excellence and Community Commitment in Cooperative Banking

Saraswat Bank, India's premier urban cooperative bank, is the first in India to exceed a \$10 billion business volume. Operating in seven states with 311 branches and 350 ATMs, it ranks 68th among the top 300 global cooperatives. The bank is recognized for its technological innovation, receiving accolades like Forbes' World's Best Banks from 2020 to 2023 and the IBA's Best Technology Bank award in 2022. Committed to social responsibility, it has donated a total of \$4.1 million to key healthcare institutions, affirming its commitment to community welfare.



Wholesale Banking Conclave by Saraswat Bank,

### Credit and Banking Cooperatives in India

- **Beginning:** The first credit and banking cooperative was established in 1904.
- **Present Number:** There are 102,944 rural credit societies and banks offering short-term loans, 616 Agriculture and Rural Development Banks, 52 Scheduled Cooperative Banks, 1,462 Non-scheduled Urban Cooperative Banks, and 50,000 urban credit societies.

### Gyeonggi Jeil Credit Union: Finance That Lifts Communities



Gyeonggi-Jeil Credit Union-Pyeongtaek City Sustainable Development Council Business Agreement Ceremony

Started in 1979, Gyeonggi Jeil is a non-profit credit cooperative based in Anjung, Pyeongtaek, Republic of Korea. It provides reliable and inclusive financial services to residents of Pyeongtaek City and nearby areas in Anseong. As of October 31, 2024, the cooperative serves approximately 15,150 members and manages assets totaling around \$284 million across three branches. Members benefit from tax-free savings, competitive returns, and secure deposits—protected up to \$37,000 per person under Korea's financial safety regulations.

### Credit and Banking Cooperatives in Republic of Korea

- **Beginning:** The first credit cooperative in South Korea, Seongga Credit Cooperative, was founded in May 1960 in Busan.
- **Present Number:** The Republic of Korea has 898 credit unions, 1,315 MG Community Credit Cooperatives, and 1,358 mutual banking institutions.
- **Supervisory Body:** These institutions are regulated by the Financial Services Commission (FSC) and supervised by the Financial Supervisory Service (FSS).

## Credit and Banking Cooperatives

### Norinchukin Bank: A Century of Sustainable Growth and Innovation

Established in 1923, Norinchukin Bank is the financial backbone for Japan's agriculture, fishery, and forestry (AFF) cooperatives. With assets of about \$720 billion as of FY2022, the Bank addresses global challenges through diversified investments and sustainable finance initiatives. It supports its members, including Japan Agricultural (JA), Fishery (JF), and Forestry (JForest) cooperatives, by stabilizing revenue and returning profits. Norinchukin Bank is committed to supporting carbon-neutral initiatives, strengthening food supply chains, and boosting AFF incomes. Its 2030 vision aims to promote environmental sustainability and food security while advancing AFF industries worldwide.

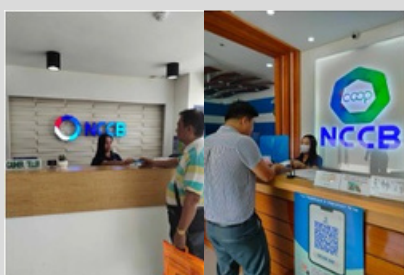


A mobile branch operated by JA

### Credit and Banking Cooperatives in Japan

- **Beginning:** Japan's first credit and banking cooperative was formed in 1906.
- **Current Numbers:** Japan has 145 Shinkumi banks, 255 Shinkin banks, 13 labor banks, 32 agricultural cooperative credit federations, 9 fishermen cooperative credit federations, and 1 keito financial institution- the Norinchukin Bank.
- **Supervisory Body:** The Financial Services Agency regulates these institutions.

### Network Consolidated Cooperative Bank (NCCB): Advancing Cooperative Banking with Inclusivity and Innovation



NCCB branches at Quezon City and Agusan Del Sur

Founded in 2014 from a merger of six cooperative banks, under the Philippine Central Bank and the National Confederation of Cooperatives, NCCB initially faced operational challenges. By 2019, it pivoted to cooperative lending and improved credit management, growing assets from \$7.2 million to \$15.6 million by 2024. NCCB ranks 72nd among rural banks and 7th among Cooperative Banks, maintaining net surpluses since 2018 with a peak surplus of \$202,720 in 2024. Its capital adequacy ratio improved to 17.86%, exceeding the 10% requirement. Membership increased to 339 by 2024. NCCB expanded services, launched a checking account, and gained global recognition, operating seven branches and serving over 3,500 members.

### Credit and Banking Cooperatives in Philippines

- **Beginning:** The first credit cooperative in the Philippines was established at the University of the Philippines in 1908.
- **Present Number:** There are 1,442 credit cooperatives and 25 cooperative banks in the Philippines.
- **Supervisory Body:** The Cooperative Development Authority (CDA) regulates these institutions.

### TCC Credit Co-operative: Century-Long Commitment to Fair Financial Services

Founded in 1928, TCC Credit Co-operative was established to serve employees of the Oriental Telephone Company, offering thrift and loan facilities to protect them from predatory loan sharks prevalent in early 20th-century Singapore and Malaysia. Continuing its mission, TCC offers equitable interest rates, benefiting individuals with average incomes or those without collateral. By the end of 2023, TCC showcased robust financial health with total assets of \$89.61 million and a net surplus of \$2.23 million, serving 41,411 members and maintaining its trusted community role.



TCC's Women's Lifestyle Group providing grocery items to low income families

### Credit and Banking Cooperatives in Singapore

- **Beginning:** The first credit cooperative, the Singapore Government Staff Credit Cooperative, was established in 1925.
- **Present Number:** Singapore has 22 credit cooperatives.
- **Supervisory Body:** The Registry of Co-operative Societies under the Ministry of Culture, Community, and Youth regulates these institutions in Singapore.

### CU Lantang Tipu: Journey empowering communities through credit union movement



Annual General Meeting for Year 2024 in March 2025

CU Lantang Tipu was founded on February 2, 1976, by teachers at the Catholic school of Pusat Damai Parish in Indonesia to address the community's financial needs. Its name reflects the values of growth and harmony. Supported by the Archdiocese of Pontianak, it developed alongside the credit union movement in West Kalimantan. After initial struggles, a strategic shift in 2003 enabled expansion across the province. Now headquartered in Pusat Damai Village, CU Lantang Tipu serves over 214,311 members through 59 branches, offering financial services and education. It remains a strong example of cooperative growth and community empowerment in Indonesia.

### Credit and Banking Cooperatives in Indonesia

- **Beginning:** Indonesia's first cooperative, the Bank of Civil Servants (now Bank Rakyat Indonesia), was founded in 1896.
- **Present Number:** As of 2023, there are 18,765 credit unions and financial cooperatives.
- **Supervisory Body:** Regulated by the Financial Services Authority (OJK).



- ICCB organized a regional seminar in Manila, Philippines, in 2023, focusing on in-depth discussions and knowledge sharing on two key topics: financial cooperatives and sustainable goals, and regulatory challenges faced by financial cooperatives in Asia and the Pacific.
- NACUFOK participated in the 2023 World Credit Union Conference in Vancouver, joining 3,000 representatives from 2,500 credit unions across 60 countries. Tae-yeong Lee and Jeeye Choi led a session on mutual growth, showcasing Korea's 8 Inclusive Finance Projects, which promote sustainable business models and cooperation among local communities and cooperatives.
- ICCB supported the ICA-AP Committee on Women in hosting a virtual side event at the NGO CSW68 Forum on March 12, 2024. The event highlighted the role of cooperative finance in women's empowerment and SDG 5, featuring experts from India, Nepal, Japan, and the Philippines, with 90 participants from Asia, Africa, and Europe.
- ACCU organized the 20th Leadership Bootcamp for NEFSCUN in Nepal from May 1-3, 2024. The program trained 26 board, committee, and senior staff members to enhance leadership skills and foster innovation. Recognized as Credit Union Business Solution No. 32, the initiative reflects ACCU's dedication to leadership development, with support from the Korean Credit Union Social Contribution Foundation.
- KFCC actively supports global cooperative development through initiatives such as establishing community credit cooperatives in Myanmar and Uganda, conducting training programs for Fiji government officials, and collaborating with UN ESCAP for workshops on cooperative finance and economic development in Asia and the Pacific.
- ICBA facilitated a study visit for a 42-member Federation of Cooperative Credit Union of Honduras (FACACH) delegation from Honduras to India (October 5-18, 2024), engaging with key cooperative institutions and exchanging insights on governance, refinancing, and capacity-building in cooperative banking.
- The 2024 Asian Credit Union Leadership Program, hosted by NACUFOK in South Korea, empowered 12 young leaders from across Asia with skills in cooperative leadership, innovation, and sustainability—fostering the next generation of credit union leaders.
- ACCU participated in the international conference organized by the Maharashtra State Cooperative Credit Societies Federation (MAFCOCS) in Shirdi, India, on February 9, 2025. Attended by over 10,000 delegates, the event focused on youth and women's leadership, digital transformation, and cooperative governance. ACCU shared global perspectives, while delegates pledged to strengthen savings and credit cooperatives through innovation and ethical management.

## What are cooperatives?

Cooperatives are autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

## Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

## Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

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## About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 114 members from 29 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

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