


**KO-OP CASH**

**Scaling Innovations on Mobile Financial Service for Credit Unions**

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**KO-OP CASH Rationale**

*"Mobile Financial Services has a great potential in contributing to financial inclusion and economic growth in the Philippines"*

- In 2009, it was estimated that 26.5% of population or more than 23M people live on less than \$1.25 per day. Most of these people do not have bank accounts.<sup>1</sup>
- On the other hand, mobile phone penetration has reached 100.3%.<sup>2</sup>
- World Bank, based on a survey, reported that 80% of Filipino households have mobile phones.<sup>3</sup>
- The mobile money technology is able to deliver banking and financial services to the people through their mobile phones at much lesser cost than branches and ATMs.


<sup>1</sup> BSP survey done in 2009  
<sup>2</sup> As reported by the telecommunications industry. Based on September 2012 quarterly reports to SEC, PLDT and Globe Telecom have combined subscribers of 100.7 million.  
<sup>3</sup> World Bank. 2010. <http://technology.inquirer.net/14162/philippines-cited-for-mobilephone-use>



**KO-OP CASH Proponents**

*"With a goal of providing faster and convenient access to poor people in the region, ANTRECCO in cooperation with PFCO-ML and in partnership with a Canadian-based Kowops eCommunity Solutions Inc., embarked on a pioneering effort in rolling-out the first Credit Union-Owned Mobile Financial and Payment Service called KoopCash."*

- KoopCash is the **FIRST** mobile financial service **owned and operated** by the Credit Unions and its member-owners
- KoopCash is the **FIRST** mobile financial service that is **"TELCO-neutral"**, which means it does not discriminate regardless of which mobile network provider a person is using.
- KoopCash is **consistent with the mandate of the Millennium Development Goal 8a**: To develop further an open, rule-based, predictable, non-discriminatory trading and financial system.



**KO-OP CASH Objectives**

- The goals of KoopCash mobile financial services are as follows:
  - Seek to reduce operating costs of ANTRECCO in loan disbursement and collections of loan amortization, micro-insurance premiums, savings from members, etc.;
  - Aim to increase revenues by increasing the number of new member accounts that can be handled by account or loan officers;
  - Expand outreach and footprint of ANTRECCO branches to include areas that are otherwise cost-inefficient to reach;
  - Enable ANTRECCO to offer new products or services;
  - Promote transparency in cash receipts and disbursements of ANTRECCO staff;
  - Reduce transaction costs of members in receiving loan proceeds and paying loan amortizations; and,
  - Improve access to financial services of member-owners by enabling them to save money, send money, pay bills and buy pre-paid airtime credits or other merchandise.



**Milestone: November 30, 2012 Service Launching**

- 1,000 members mobile phones activated into KoopCash
- 75 KoopCash mobile phones distributed



**Milestone: ANTRECCO Satellite Office Launching**

- Carmen Satellite Office (January 23, 2013)
- Bayugan Satellite Office (Feb 9, 2013)
- Libertad & Langihan Satellite Office (Feb 16, 2013)
- Cabadbaran Satellite Office (Feb 23, 2013)


**Total KoopCash Users (as of Feb 26, 2013)**

- 2,102 Individual-members
- 68 Merchants-members



*Buying - Payment using KoopCash*  
*KoopCash Merchant*

**KO-OP CASH Overview**

*KoopCash is a Deposit Management System*




- It is a new Savings Product of ANTRECCO using your "mobile phone" as the passbook.
- Earns interest!
- Can be used to pay for goods and services to any KoopCash Member-Merchants
- Send money to your family and friends
- Affordable fund transfer and payment fees






**KO-OP CASH Features**

*KoopCash App is available for low-end phones and scalable up to high-end Android smartphones and tablets*




- Balance Inquiry
- Payment
  - Pay for goods and services to Member-Merchants
  - Pay for loans
- Fund Transfer
  - Transfer money to your family, relatives and friends
- Withdraw Code
  - Request a withdrawal code to cash-out from ANTRECCO counters or accredited KoopCash Outlets
- Mini-Statement
  - Request statement of account
- Change MPIN
- Change Alias (changing account alias)






**KO-OP CASH Benefits to Member-Owners**

Your mobile phone is now your PASSBOOK



- 24/7 access to your savings account
- Reduce transaction costs of members in receiving loan proceeds and paying loan amortizations using their mobile phones
- Improved access to ANTRECCO financial services by enabling members to save money, send money via fund transfer, pay bills, and buy pre-paid airtime credits or other merchandise from member-Merchants.


**KO-OP CASH Benefits to ANTRECCO**



- Reduce operating costs of ANTRECCO in loan disbursement and collections of loan amortization, micro-insurance premiums, savings from members, etc.;
- Increase revenue thru increased new member accounts;
- Expanded reach and footprint of ANTRECCO services in areas that are otherwise cost-inefficient to reach;
- ANTRECCO can offer new products or services;
- Improve access to financial services of member-owners by enabling them to save money, send money, pay bills and buy pre-paid airtime credits or other merchandise.






**KO-OP CASH Commitment to the Growth of all Credit Unions**




*Image credit: Grassroots Economic Organizing*

- The Proponents intends to share the KoopCash technology to all Credit Unions in the Philippines and in the region
- End-in-sight: So that the millions of poor, unbanked, and marginalized people in every community could have a viable alternative access to mobile financial services provided by the "TRUE MFIs" (Micro Finance Institutions) – the Credit Unions

*"It is time for Credit Union MFIs to lead innovation thru its own mobile financial services and not just ride-on existing mobile-based system owned by the rich banks or businessmen"*

**KO-OP CASH How Fast KoopCash be implemented**



- KoopCash can be quickly setup in a Cooperative and be operational in 30-days or less;
- KoopCash can operate as a separate system pending integration to existing accounting system;
- KoopCash system is accessible using all types of mobile phones (from low-end to high-end) regardless of which Telco a person is subscribed into; and,
- KoopCash customized-mobile phones are also available for ease of access for users.

