



**RSA RETAIL SAVINGS BONDS**  
*It's the smart way to save!*

**14** NUMBER OF PARTICIPATING CFIs  
**R4,9 MILLION** INVESTED AMOUNT  
**R148,490** INTEREST EARNED

**GLOBAL ECONOMY**

The global economy is facing significant weaknesses following the deceleration of the Chinese economy, with the Chinese equity market dropping after Beijing opted in early August to devalue its currency for the first time in more than two decades.

Both European Central Bank and International Monetary Fund (IMF) noting the risks of economic growth from China's slowdown and other establishing markets.

China's affliction has sent the prices of raw materials especially oil into a sharp decline, badly hitting the currencies of big resource-rich countries — including South Africa, Brazil, Indonesia and Russia — reliant on Chinese trade. The IMF has recommended that emerging-market countries allow their currencies to fall essentially to support exporters and economic growth.

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**SA ECONOMY**

The local currency has faced pressures with global interest rates and emerging markets continuing to drive the rand down against major currencies. This has resulted in the rand weakening to close to R14 to the dollar. Despite the excessive volatility, the Reserve Bank has remained committed to the exchange rate of the rand being set by market forces and has taken a position of not intervening in the foreign exchange market with a view to influencing the rand exchange rate towards a particular range or level.

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Source: SARB

## KENYAN SACCOS RIDING ON INNOVATION TO ATTRACT MEMBERS

Kenya's SACCO movement is growing rapidly, thanks to innovation riding on the expanding mobile platform. According to the latest report of the World Council of Credit Unions, out of the 20 leading Saccos in Africa, 18 are from Kenya. Just in July 2015, during the World Credit Union Conference in Denver, Colorado, Kenya won award for being home to the fastest growing SACCO sector. But what is the secret behind the success of Kenyan SACCOS and how can these lessons be applied to the South African sector?

Stima SACCO members now need online access to payments and to carry out financial transactions on a mobile. Started in 1974, Stima SACCO is rated as the third largest SACCO in Africa after Mwalimu and Harambee SACCOS but has been credited with ground breaking mobile payment innovations. It has notched up a number of firsts i.e.

- The first to issue its members with visa branded ATM cards in 2006;
- The first to introduce the Mpawa mobile app and MStima (integrated with Mpesa) that allows members to transact business from the comfort of their homes without having to visit a physical office.

Through Mpawa, members can request for advance loans, transfer funds across accounts, to other members and pay selected utility bills. The use of technology has seen the SACCO attract more youths and in the process inspired them to save more. The SACCO now intends to introduce a virtual platform for paperless registration of members, a move that will shift focus from brick and mortar offices thus cutting costs and expanding reach.

Stima SACCO has six branches and 25 service points across the country, and have over 46,000 members, 800

of whom are in the Diaspora...with over sh18.5 billion (about R2,5 billion) worth of assets and still growing. The mobile platform has made it easy for Kenyans in the Diaspora to remit savings and do business via their accounts while abroad.

The co-operative financial institution (CFI) sector in South Africa should be taking advantage of innovations in other countries to accelerate their growth and leapfrog some growth phases. CFIs provide a huge opportunity to recreate services that are built around humans and technology can help bring back things lost in society and business i.e. trust, empowerment, community and humanness. In addition, embracing innovation, especially in a highly competitive financial space as is the case in South Africa, is the key for CFIs to recreate themselves.

Source: <http://www.biztechafrica.com/>

## PARTNERSHIP PROGRAM CONNECTS U.S. CUS TO WORLDWIDE MOVEMENT.

This is an abridged version of an article by Craig Sauer. The full article is available on the Credit Union National Association (CUNA) website <http://news.cuna.org/>

Idaho Credit Union League representatives visited Moldova in Eastern Europe in May 2015 to sign a new international partnership agreement with Moldova's Central Association of Savings and Credit Associations (CASCA). The goal of these partnerships is to unite

credit unions around the world to share ideas, best practices, and technical expertise.

Exchanges such as these are extremely valuable, as credit unions learn from each other about the different ways to approach their work, while at the same time communing over the similar challenges the sector faces, such as increasing youth membership, emerging technologies, and protecting small credit unions. Partners provide guidance and expertise to each other

on many international activities, with cooperative advances on projects such as:

- Developing a single brand approach;
- Training for young managers;
- Building industry awareness;
- Modernizing marketing techniques; and
- Improving the advocacy and regulatory environment.

## CFI FINANCIAL INDICATORS

YEAR	REPORTING CFIS	CHANGE	
May-13	15	-21%	▼
May-14	25	67%	▲
May-15	20	-20%	▼

YEAR	MEMBERSHIP	CHANGE	
May-13	19,295	-24%	▼
May-14	23,019	19%	▲
May-15	24,135	5%	▲

YEAR	TOTAL ASSETS (RANDS)	CHANGE	
May-13	99,926,873	-3%	▼
May-14	152,510,462	53%	▲
May-15	239,701,520	57%	▲

YEAR	LOANS (RANDS)	CHANGE	
May-13	57,084,217	5%	▲
May-14	81,703,316	43%	▲
May-15	149,724,538	83%	▲

YEAR	TOTAL SAVINGS (RANDS)	CHANGE	
May-13	77,557,700	-12%	▼
May-14	124,811,300	61%	▲
May-15	202,527,503	62%	▲

YEAR	CAPITAL (RANDS)	CHANGE	
May-13	17,402,043	106%	▲
May-14	22,757,755	31%	▲
May-15	34,435,211	51%	▲

## UNDERSTANDING THE DATA IN THIS TABLE

A green arrow signifies a large positive change in the value of the financial indicator while a red arrow indicates a large decrease. Figure comparisons are year on year changes. Twenty (20) CFIs or 77% responded to the survey this period.