



**UP 58%**  
FEMALE MEMBERS



**UP 29%**  
RURAL MEMBERS



**2014-120**  
**2015-646**  
PEOPLE EMPLOYED  
IN FUNDED SMES



**2014-1719**  
**2015-1543**  
YOUTH MEMBERS



**UP 45%**  
FEMALE  
BOARD MEMBERS



**UP 82%**  
**TO 369**  
NUMBER OF  
SMES FUNDED

## GLOBAL ECONOMY

**G**lobal growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed. (IMF)

## SA ECONOMY

The Monetary Policy Committee (MPC) in its January meeting decided to increase the repurchase rate by 50 basis points to 6,75 per cent per annum.

Inflation is expected to average 6,8 per cent in 2016 and is expected to remain outside the target for the entire forecast period. The changes in the forecast are mainly due to a weak exchange rate and higher expected food price inflation.

The domestic economic growth outlook remains weak, with further downward revisions to the Bank's forecast. Growth in 2015 is estimated to have averaged around 1,3 per cent, and is expected to moderate to 0,9 per cent in 2016.

Credit extension to households has increased marginally recently, particularly with respect to

mortgage and general loans, though remain low and negative in real terms. Tighter National Credit Act Regulations related to affordability assessments became effective from September, and are expected to constrain credit to households further. (SARB)

### DIGITAL FINANCIAL SERVICES AND CO-OPERATIVE FINANCIAL INSTITUTIONS

A number of stakeholders are experimenting with digital financial services ("DFS"), particularly those enabled by mobile phones, to overcome the specific challenges of serving smallholder farmers and their families. For rural based Co-operative Financial Institutions (CFIs), digital financial services, though still nascent, in terms of development, provide an opportunity to enhance their offerings to the communities they serve. Below are examples of such innovations which if deployed by the CFI sector can help overcome a number of traditional economic and cultural barriers that currently limit smallholder use of formal financial services.

1. Agrilife illustrates how a provider can use digital means to collect data, enabling the lender to assess the farmer and determine whether to extend a loan without requiring an in-person visit by a lending officer. Agrilife is a cloud-based technology platform developed in 2012 by Mobipay Kenya Ltd. that interacts with mobile phones and web platforms. By analyzing data of thousands of smallholders through their mobile money transactions, a credit appraiser in partnership with Agrilife identifies whether smallholder farmers are "credit-worthy". A partner bank then lends to individual Agrilife farmers via farmer cooperatives and other aggregators, from whom it obtains a loan guarantee.
2. myAgro provides smallholder farmers with a convenient way to set aside funds to be used in the purchase of fertilizers and seeds. A farmer purchases a scratch card worth the equivalent of \$1 - \$25 from a network of rural vendors and sends the secret code (revealed by scratching the back of the card) to myAgro via SMS. Upon receipt of the SMS, myAgro's system automatically credits the farmer's "layaway account" with the value

of the scratch card. In addition to the purchase layaway, myAgro funds can also be withdrawn for purposes other than the input package that the farmer signed up for, thus making it possible to set aside savings. (Global Partnership For Financial Inclusion)

**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

### CFI FINANCIAL INDICATORS

PERIOD	REPORTING CFIS	CHANGE	
Aug-13	18	0%	n/a
Aug-14	23	28%	▲
Aug-15	19	-21%	▼

PERIOD	MEMBERSHIP	CHANGE	
Aug-13	26,986	7%	▲
Aug-14	24,159	-10%	▼
Aug-15	23,123	-4%	▼

PERIOD	ASSETS (RANDS)	CHANGE	
Aug-13	137,962,867	35%	▲
Aug-14	147,921,606	7%	▲
Aug-15	257,087,719	74%	▲

PERIOD	LOANS (RANDS)	CHANGE	
Aug-13	71,649,328	7%	▲
Aug-14	86,966,805	21%	▲
Aug-15	159,236,034	83%	▲

PERIOD	SAVINGS (RANDS)	CHANGE	
Aug-13	103,747,066	22%	▲
Aug-14	128,769,954	24%	▲
Aug-15	219,036,406	70%	▲

PERIOD	CAPITAL (RANDS)	CHANGE	
Aug-13	19,859,711	71%	▲
Aug-14	21,849,681	10%	▲
Aug-15	29,542,940	35%	▲

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