



## MEMBERSHIP

Aug 2015 << **23271**

Aug 2016 >> **28960**



## NUMBER OF BUSINESSES FINANCED

May >> **169**

Aug >> **291**



## NUMBER OF REGISTERED CFIS

Aug 2015 << **24**

Aug 2016 >> **29**



## TOTAL PEOPLE EMPLOYED IN FUNDED BUSINESSES

May - **79**

Aug 2016 >> **156**



## YOUTH MEMBERS

May << **1451**

Aug >> **1728**



## RETAIL SAVINGS BOND

- **16** Number of participating CFIs
- **R 6.7 Million** invested amount
- **R 217 202** Interest earned



## NUMBER OF ACTIVE SAVERS

**14882**

## DID YOU KNOW?

The CBDA has the banking platform system that is aimed at enhancing the CFI operational capability and integration into the National Payment System.

## SA ECONOMY

In the quarter under review the Gross Domestic Product (GDP) rose by 3.3 per cent in 2nd quarter 2016, after contracting by 1.2 per cent in 1st quarter 2016. As expected, from the expenditure side, the largest positive contributor to GDP growth came from net exports, which added 6.7 percentage points to the GDP growth. The repo rate is the official monetary policy instrument and represents the interest rate at which banks borrow money from the SARB, Monetary policy across the globe has remained on hold since the July Monetary Policy Committee (MPC) meeting. As inflation in both developed and emerging markets broadly slowed or remained subdued. In contrast, food inflation rose marginally to 11.6 per cent from 11.5 per cent in July as higher inflation for bread & cereals, fish, dairies

and sugar more than offset lower inflation in meat, oil & fats and fruits. Core inflation remained unchanged to 5.7 per cent in August. The prime lending rate stood at 10.5 per cent. (Source: SARB).

## SASRA LAUNCHES ONLINE COMPLAINTS PORTAL

Sacco Societies Regulatory Authority (SASRA) is a statutory corporation established under the Sacco Society Act of Kenya. The regulator launched a new online complaints portal for the general public, Sacco members and Saccos to be able to manage complaints.

The portal being introduced as part of ongoing improvements to SASRA services to

Sacco members and the general public and will allow SASRA to view complaint details, share information with aggrieved Saccos, confirm resolutions and access decisions on complaints. The public and Sacco members will be able to manage their complaint through the portal, enabling them to keep track of what stage the complaint is at. The portal is one of the business transformation initiatives being rolled out by SASRA to help it ensure satisfaction levels of its stakeholders are well managed. In addition, it should help the authority improve its data reporting and analysis while reducing the number of cases that may be due to miscommunication or non-adherence to business processes by Saccos. The portal is expected to benefit the general public, Sacco members and Saccos, ultimately making life easier for everyone involved in the complaint process.

(source: <http://www.sasra.go.ke/>)

## CO-OPERATIVE BANKING ALIVE AND THRIVING IN AFRICA

The first co-operative bank in South Africa was registered in 2011, currently there are only two registered co-operative banks regulated in terms of the Co-operative Banks Act, and under the regulatory oversight of the South African Reserve Bank, Ditsobotla Co-op Bank in the Northwest province and OSK Co-op Bank in the Northern Cape with about 844 million in deposits are the only registered co-operative banks. Although the qualifying process of being registered as a co-operative bank might seem lengthy, the South African (SA) co-operative sector has shown growth over the years, this is led by increase support of the formation of co-operative banks that are democratically owned and controlled by their members as part of diversification of the financial sector. (Source: SARB).

In Kenya, co-operative banking is alive and thriving, the Co-operative Bank of Kenya has offered value added financial services to the co-operative movement over the years. The bank went public in 2008 and was listed

on the Nairobi Securities Exchange. Shares previously held by the 3805 co-operatives societies and unions were ring fenced under coholdings Co-operative Society limited which became the strategic investor in the bank with a 64.6% stake. The bank recorded an increase in customer accounts of 1.1 million in 2009 and has since grown. The co-operative bank has about 74 branches, this is proof that co-operative banking is in high demand. The Co-operative Bank of Kenya offers low banking cost to members and pays out dividends at year end. The growth in the savings and credit co-operative societies (SACCOs) sector in Kenya has also been an example for other African countries, the model is well received and understood by members. Kenya Co-operative Bank has shown excellent growth while maintaining consistency and impressive performance improvement and has therefore blossomed over the years.

(Source: <https://www.co-opbank.co.ke/about-us>).

In the east of Africa, Rwanda is in a process of establishing a National Co-operative Bank. The process leading up to the establishment of the envisaged bank is broken down into three phases, namely creating an automation software that links all the existing 416

Umurenge savings and credit co-operatives setting up and looping in the district Saccos (30 entities) to allow for proper coordination in each district and creating the national co-operative bank. The proposed co-op bank will oversee the operations of all the Saccos countrywide, allowing for proper coordination of Saccos and thereby promoting efficiency and internal controls.

(Source: <http://www.newtimes.co.rw/section/article>).

While Saccos have boosted national efforts geared towards promoting financial inclusion, the lack of proper coordination and strict enforcement of prudential banking practices have often resulted in the mismanagement of Saccos, The setting up of a national cooperative bank will help streamline Saccos banking practices and, as a result, restore and consolidate members and public confidence in these crucial financial entities.

It is therefore evident from the 3 countries that co-operative banking will boost the country's efforts to deepen financial inclusion, and promote savings and credit access. In addition, CFIs are particularly good at reaching the poor and vulnerable, particularly in rural areas and therefore the need for co-operative banking rises for the "unbanked".

## CFI FINANCIAL INDICATORS

PERIOD	REPORTING CFIS	CHANGE	
Aug-14	23	27%	▲
Aug-15	24	1%	▲
Aug-16	29	20%	▲

PERIOD	ASSETS (RANDS)	CHANGE	
Aug-14	147,921,606	7%	▲
Aug-15	142,503,781	-3.7%	▼
Aug-16	171,808,051	20%	▲

PERIOD	SAVINGS (RANDS)	CHANGE	
Aug-14	128,769,954	24%	▲
Aug-15	116,380,481	-9.6%	▼
Aug-16	127,106,292	9.2%	▲

PERIOD	MEMBERSHIP	CHANGE	
Aug-14	24,159	11%	▲
Aug-15	23,271	-3.7%	▼
Aug-16	28,960	24%	▲

PERIOD	LOANS (RANDS)	CHANGE	
Aug-14	86,966,805	21%	▲
Aug-15	96,344,403	10%	▲
Aug-16	113,704,067	18%	▲

PERIOD	CAPITAL (RANDS)	CHANGE	
Aug-14	21,849,681	10%	▲
Aug-15	24,166,891	10.6%	▲
Aug-16	35,896,087	48%	▲

The green arrow signifies a large positive change in the value of the financial indicator while the red arrow indicates a large decrease.

**NB:** Please note that only 19 CFIs responded to the survey this period.