



**PRESENTED BY: SABI
PADI**

**MD:DITSOBOTLA
COOPERATIVE BANK**

Background



The institution was established in 2000 following the merger of three worker-based financial cooperatives in the North West Province i.e. Itireleng SACCO (formed by Lafarge Cement employees), Ikageng SACCO (formed by the Ditsobotla Local Municipality) and Aganang SACCO (formed by Holsim employees).

Background continued



- **Subsequently, it was registered as a primary savings and credit cooperative bank in early 2011**
- **The cooperative bank is also registered as a credit provider with the National Credit Regulator in terms of the National Credit Act 34 of 2005**

Objectives of Ditsobotla



- **Promote the economic welfare of members;**
- **To receive funds by the issue of shares and acceptance of deposits from members;**
- **Encourage savings by providing a means whereby such savings and shares may receive a reasonable rate of interest;**

Objectives Continued

- **To make loans to members for productive and provident purposes;**
- **To develop a sense of self reliance in its members;**
- **Educate members in money management and control also promote understanding of the economic framework within which cooperatives operate;**



Objectives Continued

- **Promote interest in community development and develop a sense of honesty and responsibility within members.**



Challenges



- **We have faced the challenge of growing as a strong tool to meet our financial needs**
- **Some of the challenges we faced are very unique and specific to our sector and must be dealt with at a sectoral level**

STATISTICAL OVERVIEW FOR THE PAST THREE YEARS



	2008	2009	2010/11
Savings	5 393 413	5 676 269	6 376 471
Loans	4 840 367	5 063 951	5 353 255
Assets	6 446 146	6 716 708	7 364 896
Mem.ship	862	913	909

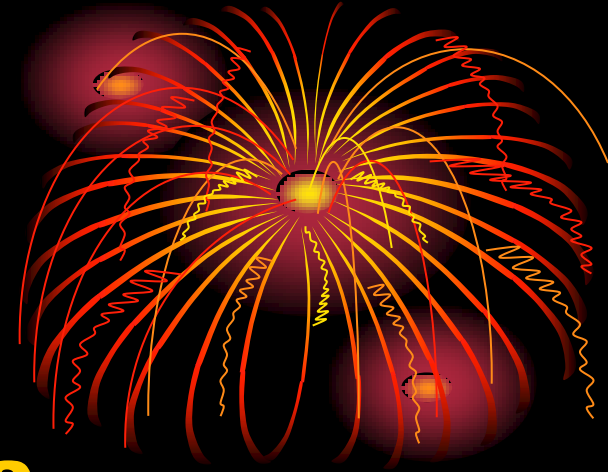
STATISTICAL OVERVIEW

cont...



- **From the above statistics, we observed that our membership is not growing as expected.**
- **We need to address any challenges that affect our cooperative bank in order to sustain continuity, safe and sound bank.**

CHALLENGES



- **Like any other business entities, we are faced with challenges in our quest towards survival and growth.**
- **This challenges can be categorized into internal and external challenges**

INTERNAL CHALLENGES

- **Leadership and governance problems**
- **insufficient technology**
- **Ethics and integrity**
- **HIV/AIDS pandemic**



EXTERNAL CHALLENGES COMPETITION



- **Competition from big commercial banks**
- **Regulation of cooperatives**

POLITICALLY

- **Changes in Co-operative Legislation**
- **Changes in investment policies**

EXTERNAL CHALLENGES



cont...

TECHNOLOGY

- **We need to keep pace with information technology**

SOCIAL

- **Cultural diversity among employees**

ECONOMY

- **Increase in inflation**

SURVIVAL STRATEGIES



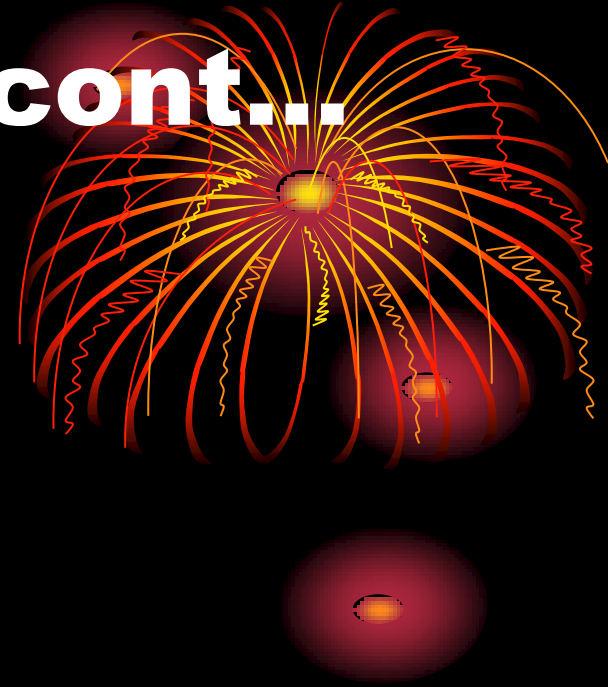
INTERNAL

- **Education and training**
 - **Strong leadership**
 - **Hiv/aids awereness**
 - **Encompass Total quality Management Concepts**
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Survival strategies cont...

External

- **Diversify**
- **Networking**
- **Become more competitive, products and services offered**



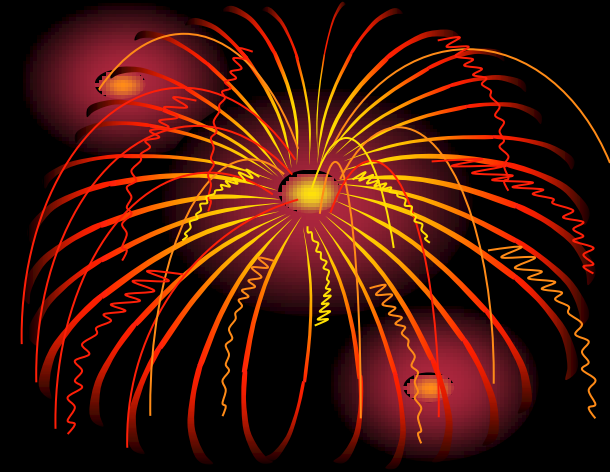
LESSONS LEARNT IN REGISTRATION AS A COOPERATIVE BANK IN S.A



1. HARD WORK

Being registered as a cooperative bank demands hard work from the management, board and staff

LESSONS CONTD



2. COMPLIANCE

- **There is a need to comply with all the prudential regulations, the cooperative banks act and the cooperative act.**
- **Financial statements should be produced monthly and returns should be done monthly and send to the CBDA**

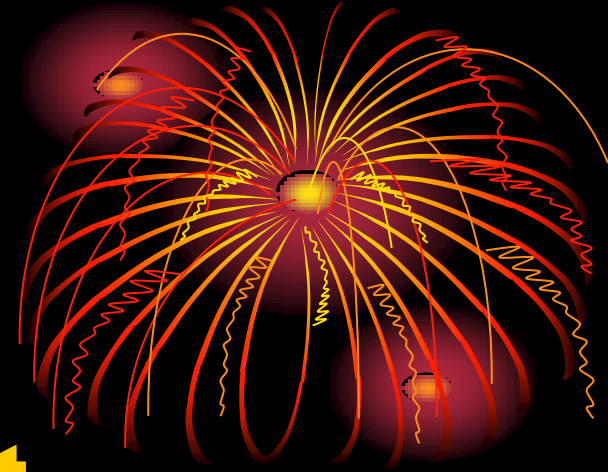
LESSONS CONTD



3. ACCOUNTABILITY & RESPONSIBILITY

- **It is the responsibility of the board and management to see to it that members funds are safe.**
- **The board, management and staff should be able to account for every cent the member have paid into the coop bank**

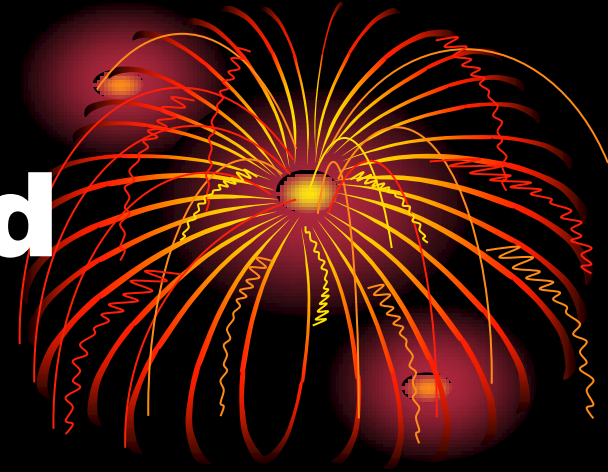
LESSONS CONTD



4. Financial management

There is need for sound financial management. This includes accurate accounting, sound internal controls, sound investment decisions, financial reporting to CBDA, samaf and SACCOL and proper record keeping of financial transaction

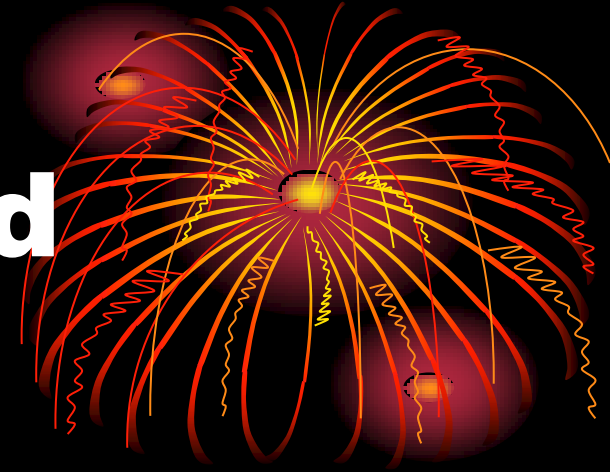
Lessons continued



5. Management

- **To be registered as a cooperative bank, there is need for qualified and experienced management.**
- **Management should continuously up skill themselves**

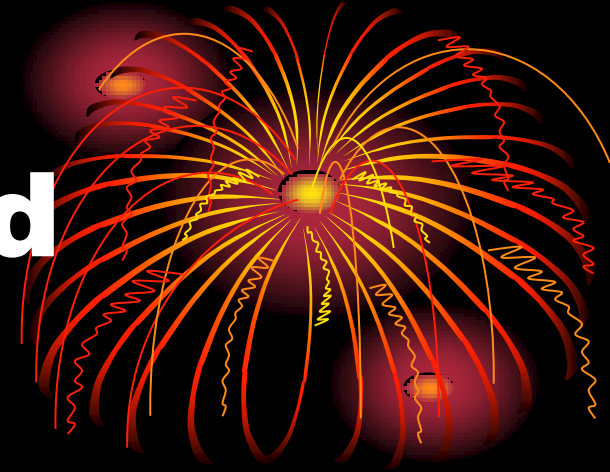
Lessons continued



6. MARKETING

- **Marketing is needed so that the CFI reaches out to a large number of members. This will increase the capital base and build on capital adequacy which is a requirement for registration**

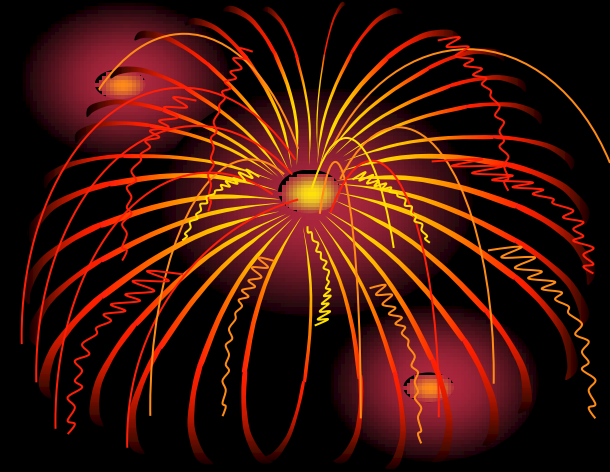
Lessons continued



7. Policies & Procedures

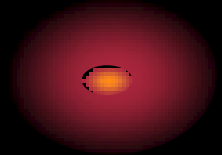
- **The management and board should develop policies and also revise the policies. The policies include: Savings policy, loan policy, liquidity management, membership recruitment, investment, training, performance appraisal, procurement, IT, security etc**

Lessons contd



8. GOVERNANCE

- **Need for a fit and proper board**
- **The board should meet regularly**
- **Minutes of board meeting documented**
- **All board committees should be operational**
- **Board should not overstay**



Governance contd



- **Board should craft a strategic plan with vision, mission and objectives**
- **Board should organise an AGM**
- **Board should make sure financial statements are prepared and the coop bank is audited**

9. COOPERATIVE PRINCIPLES

- **CFI should be guided by the seven cooperative principles**

