



## WHAT ARE THE BENEFITS OF THE BANKING PLATFORM?

The banking platform is a management information system that enables the CFIs to offer automated services to its members.

It also allows for the following:

- The Banking Platform provides for the integration into the National Payments System.
- The Banking Platform is integrated with an enterprise version of Pastel namely Pastel Evolution which will enhance the CFI's accounting and financial reporting capability.
- The ability to perform inter CFI transactions at minimal costs.



## HOW TO ACCESS OUR SERVICES

**012 315 5367**

**Visit:** [www.treasury.gov.za/coopbank](http://www.treasury.gov.za/coopbank)

**Address:** 27th floor, 240 Madiba Street, Pretoria

**Email:** [CBDA@treasury.gov.za](mailto:CBDA@treasury.gov.za)

**Fax:** 086 730 3389



**EMPOWERING COMMUNITIES BY TAKING *CO-OPERATIVE* BANKING TO THE PEOPLE.**



## WHAT IS THE CBDA?

The Co-operative Banks Development Agency was established to regulate, promote and develop Co-operative banking, including deposit-taking and lending co-operatives.

## OUR VISION

A strong and vibrant Co-operative banking sector that broadens access to and participation in diversified financial services leading towards economic and social well-being for all South Africans.

## THE CBDA'S CURRENT FOCUS

- Registering Co-operative Financial Institutions.
- Supervising registered Co-operative Financial Institutions.
- Capacitating registered CFIs and Co-operative banks and promote the development of representative bodies in the sector.
- Providing a cost effective integrated banking system that will enable the CFIs and CBs to participate in the National Payments System.

## WHAT IS A CO-OPERATIVE FINANCIAL INSTITUTION?

A Co-operative Financial Institution (CFI) is a member based deposit taking financial institution, owned and controlled by its members who have a common bond and whose members choose to call themselves a Financial Co-operative, Credit Union, Savings and Credit Co-operative (SACCO), Financial Services Co-operative (FSC). These terms are often used interchangeably in the CFI sector.

# THROUGH YOUR CFI YOU CAN OVERCOME



## FINANCIAL STRUGGLES

- Over indebtedness
- Lack of savings
- No financial stability



## FINANCIAL INSTABILITY

- Debt management
- Restoring financial stability in your life
- Eliminate and avoid debt
- Low credit score

# THROUGH YOUR CFI YOU CAN ACHIEVE



## SUCCESS

- Regular savings
- Make goals
- Achieve dreams
- Live within your means
- Financially literate



## SIGNIFICANCE

- Financial Freedom
- Invest in your future plans
- Household and business finance
- Travel
- School fees finance
- Give to charity

## WHAT A CFI IS AND IS NOT.

A CFI is a financial co-operative wholly owned by its members	A company owned by a few shareholders and/or founding members
A co-operative that provides financial services to its members	Is not a get rich quick pyramid scheme
A democratically owned institution with each member enjoying equal rights to vote (one member one vote)	Speculating with members funds
An institution that encourages economic participation by all members towards building a safe and sound institution to ensure continued service to its members	A profit driven institution, for the benefit of a few individuals

## HOW TO REGISTER A CFI

An application must be sent to CBDA and must meet the following minimum requirements

- 200 members ( Minimum)
- R 100 000 in share capital
- Have a common bond

## THREE TYPES OF COMMON BONDS

- Workbased – people working for the same employer
- Associational – members of the same trade union or association
- Geographic – people living in the same village or suburb.

The CBDA has a number of guidance notes on its website which can assist on how to register.

### The difference between a CFI and a Co-operative bank

Co-operative Financial Institutions	Co-operative Bank
200 members (minimum)	200 members
R100 000 Member share capital	Minimum capital adequacy of 6% R1 million in member deposits
Definition of a common bond	Definition of the common bond

## WHY JOIN OR START UP A CFI

- Your CFI is owned and governed by the people who utilize its products and services.
- Every member owns a share of the CFI and the CFI operates to promote the financial well-being of all its members.
- The fees charged on the products and services are set by the members in conjunction with the relevant legislation.
- All surpluses go back to members in the form of dividend or invested to develop communities.

**The advantage of being a member of a CFI is that members have rights and obligations. Here are some of the rights and obligations of the CFI members:**

A member of a CFI has the right to	What are the obligations of a member?
Own shares	To own the minimum amount of shares required
Apply for the use of all its products and services	To attend and participate in the democratic processes of a CFI
To withdraw savings or make loans if they satisfy the conditions	To save and repay loans

To have access to the constitution and the financial statements	To inform the CFI if the member has difficulties in repaying a loan and discuss alternative repayment options
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**CFI's and commercial banks offer many of the same products and services however they differ in many ways. Here's how**

	CFI	COMMERCIAL BANK
Type of organization	Not for profit, not for charity but for sustainable services to members	Generates profit for shareholders
Who owns it?	Members	Shareholders
Board of directors	Elected members	Paid directors
Fees	Determined by members to ensure sustainability	Determined by shareholders for profit maximization
Profit goes to	Members	Shareholders
Interactions with like financial institutions	Cooperative	Competitive