

Co-operative Banks Development Agency

Co-operative Banking Sector Strategy (CBSS) Implementation

CBSS, images from workshop held between CBDA/World Bank & Working Group

Retail Bonds South Africa uptake

Cooperative Banking Awareness Campaign

Co-operative banking and financial institutions

Editorial team on growth CBIs and CFIs

Save the dates

Mandela Day 2023

Recruitments, Appointments, & Announcements

Co-operative Banks Development Agency Training Calendar

Media Statement- Play your part in Money Smart Week 28 August to 03 September 2023

Proposed Directive issued in terms of section 48 of the Co-operative Banks Act, 2007 (Act No. 40 of 2007)

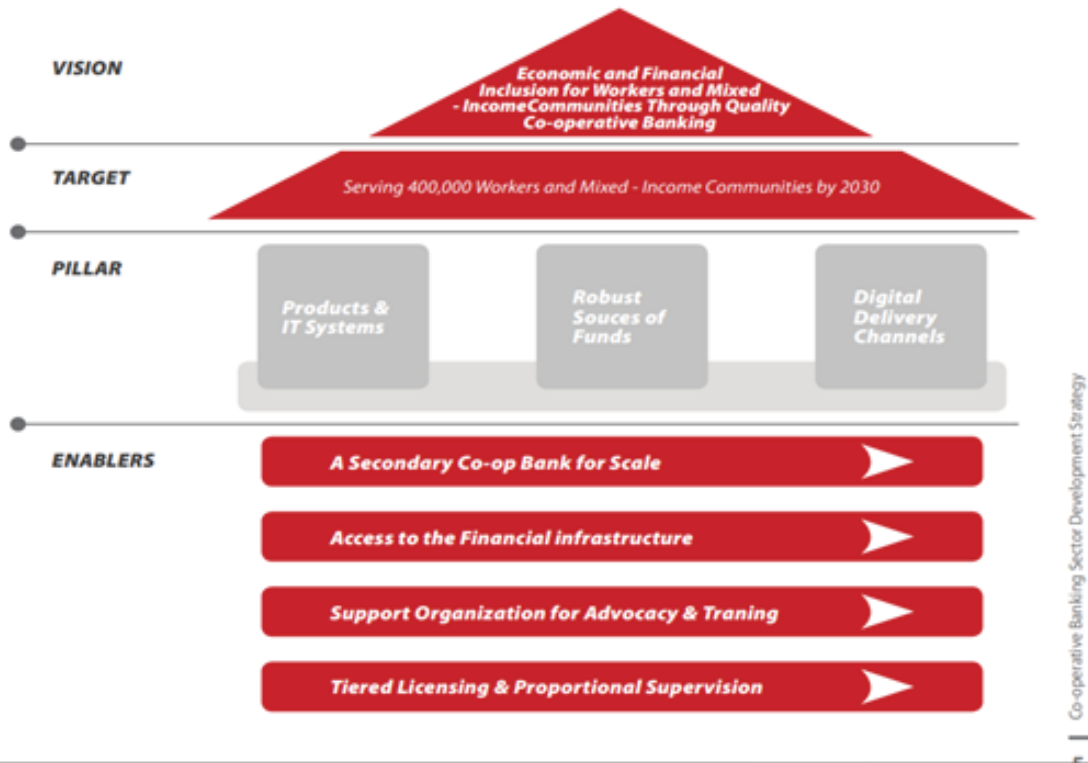
EDITORIAL TEAM

Catherine Whitley, Tebogo Tshabalala, Khuthala Lengisi, Poppy Thubana, Caleb Mampane, Theo Ndlovu

Co-operative Banking Sector Strategy Implementation

The “Working Group” established through volunteers from different cooperative banking institutions is the driving force behind the implementation of the co-operative banking sector strategy. This entails the establishment and implementation of the 1st pillar which is the establishment of a secondary co-operative bank for scale.

Figure 1: Overview of Co-operative Banking Sector Development Strategy



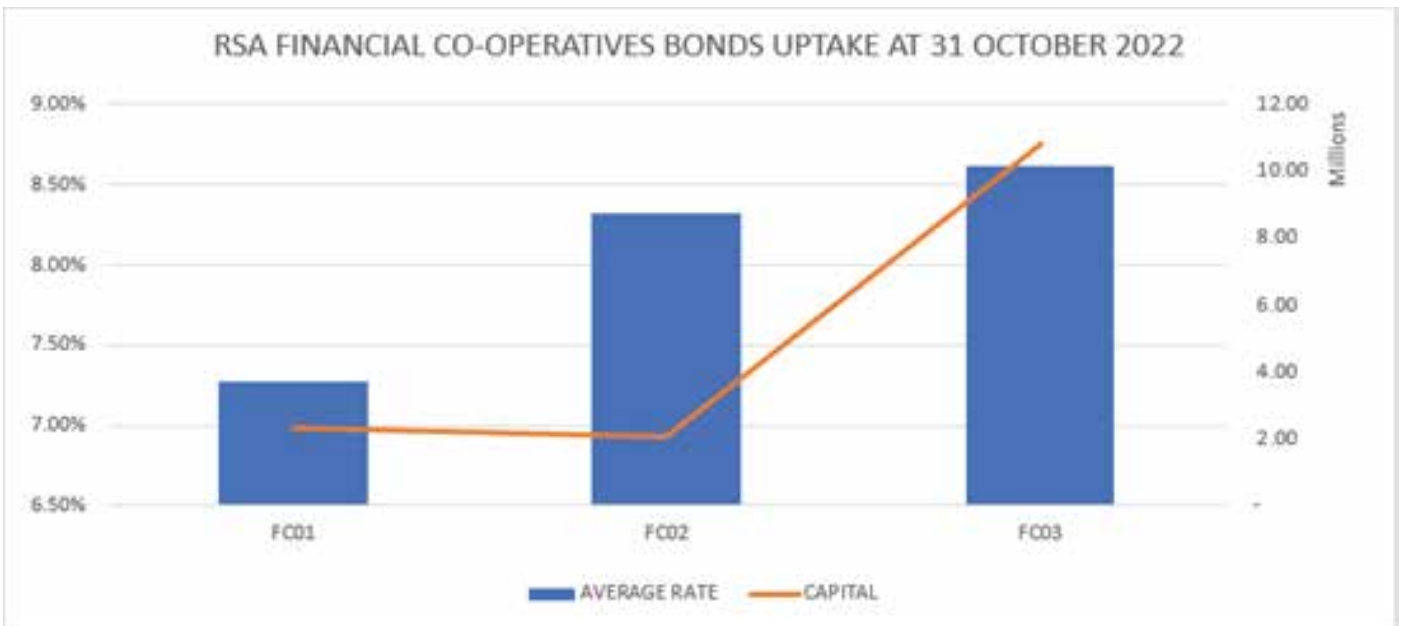
Images of workshop



Some World Bank, CBDA and “Working Group” members.
Robust discussions between sector representatives, World Bank and CBDA employees and consultants on costs, structure, business case, etc.



Did you know?



WEBSITE: WWW.DWYPD.GOV.ZA • TWITTER: [@DWYPD_ZA](https://twitter.com/@DWYPD_ZA) • INSTAGRAM: [@DWYPDZA](https://www.instagram.com/@DWYPDZA) • FACEBOOK: [@DWYPDZA](https://www.facebook.com/@DWYPDZA)

Invitation

Cooperative Bank Awareness Campaign

The Department of Women, Youth and Persons with Disabilities (DWYPD) will be hosting a Cooperative Bank Awareness Launch Campaigns. The purpose of the campaign is to share information and create awareness on Women owned/led cooperative bank to be established in South Africa (SA) and highlight opportunities to the target groups of Women, Youth and Persons with Disabilities (WYPD).

Date: 22 June 2023
Time: 10H30 – 12H30
Platform: Virtual, Zoom

Enquiries: Mmatlala.Mared@dwydp.gov.za



The CBDA has been engaged with the DWYPD in awareness campaigns to have the cooperative banking sector known in the groups that the DWYPD is responsible for. We are looking forward to more campaigns and ultimately registering “big” numbers in this market segment

Co-operative banking and financial Institutions

Co-operative banking institutions are owned and controlled by their members who have a common bond. The members of the institutions nominate and elect the Board and Audit Committee members at annual general meetings.

As at 31 March 2023, a total of 17 institutions presented their succession plans to the PA. Eight institutions must still present, and of these, three were deferred to the 2023 supervisory calendar year.

The institutions identified critical roles as being the members of the Board and the Audit Committee as well as the Managing Director (MD) and two to three support staff. The institutions assessed could not provide the PA with successors for these roles and had not identified the skills assessments or skills gaps to inform appropriate training interventions. Inherent in the co-operative model is the common bond which necessitates sourcing of resources for the Board, Audit Committee and other governance structures from within the membership. Furthermore, members of the Board, Audit Committee and other governance structures serve on a voluntary basis.

The staff members are appointed by the Board and remuneration is relatively low, making it difficult to fill critical roles. Attracting high-calibre staff with the right skills and qualifications to serve on various committees and in various roles for the day-to-day running of the institution remains a challenge.

The larger and more established institutions had succession plans, even though these were not formally documented. There was limited evidence provided that the smaller institutions considered the organisational strategy when formulating their succession plans. Attracting suitable, committed and skilled candidates in key roles was a major challenge. Key person dependency is a concern for the PA.

Editorial Team

The graphs below depicts the South African co-operative banking sector with 28 CBIs (23 CFIs and 5 CBs) registered as at 28 February 2023. There is one CBI that was de-registered during the financial year. The sector membership increased by 5,90% compared to the prior year.

The sector's member deposits grew by 10,04%, while member loans grew by 16,77%. There is a high concentration of deposits and loans held by CBs within the sector, amounting to 78,64% and 85,09%, respectively. The sector's total assets grew by 7,48% while members' capital decreased by 5,48% during the financial period.

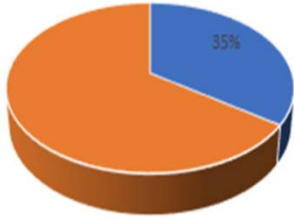
The CBDA met and exceeded its five-year target of R 444 million in sector member deposits (exceeding the target by almost 16%). The CBDA's capacity-building machinery has been repurposed to attain the other growth indicators for the sector (membership and registered CBIs).

It is worth noting that the Total Net Loan Book for Co-operative Financial Institutions continued to decline in the financial year ending 28 February 2023. The book declined by 21,43% from R 70 million in the prior year to R 55 million in the current year, while the Co-operative Banks Net Loan Book grew by 27,64% from R 246 million (2021/22) to R 314 million in the current year. The co-operative banking sector Net Loan Book was recorded at R 369 million for the period ended 28 February 2023

“All change is not growth, as all movement is not forward.” — Ellen Glasgow.

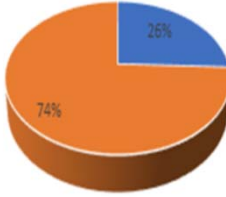
The Co-operative Banking Sector Growth

Total Assets (R 589 million)



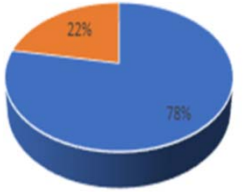
Urban CBIs Totals Rural CBIs Totals

Total Net Loans (R369 million)



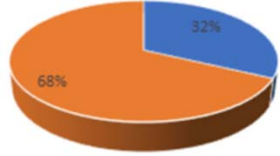
Urban CBIs Totals Rural CBIs Totals

Total number of members (30924 members)



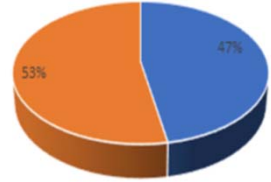
Urban CBIs Totals Rural CBIs Totals

Total Savings Deposits (R 515 million)



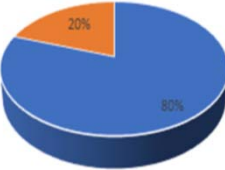
Urban CBIs Totals Rural CBIs Totals

Total Capital (R73 million)



Urban CBIs Totals Rural CBIs Totals

Total Mandatory Shares (R 23 million)



Urban CBIs Totals Rural CBIs Totals

The South African cooperative banking sector with 28 CBIs (23 CFIs and 5 CBs) registered as at 28 February 2023uth African co-operative.

SAVE THE DATES



1ST SEMESTER: DEPOSIT AND MEMBER MOBILISATION EVENTS CALENDAR 2023/2024

Jun.



YOUTH SAVINGS MONTH

The event intends to push the youth at CBI level towards a savings path by influencing member behaviour monthly.

MAIN EVENT : 16 JUNE 2023

Jul.



NATIONAL SAVINGS MONTH

The event intends to celebrate savings initiatives at CBI level for all South Africans (members) by influencing member behaviour.

Aug.



WOMEN SAVINGS MONTH

The event intends to push women at a CBI level towards a savings path by influencing member behaviour monthly

MAIN EVENT : 9 AUGUST 2023

Mar. - Aug.



CBI ANNUAL GENERAL MEETING

The event is a general member's platform that aims to establish or boost communication with the rest of the CBI membership.

The platform can be utilised for member's financial education purposes.

Out with the old, in with the new!

The new financial year is upon us and requires the financial co-operative movement to prepare for the year and what it has to offer. The CBI sector has unfortunately struggled to attract the desired high growth numbers in new membership and savings to their institutions. In response to the current challenge, CBIs can organise better and line up targeted events (as per the Illustration above) that specifically aim to ignite a CBI's growth. The growth can follow an internal approach where a CBI's current membership commits to increase their total savings held with the CBI. On the other hand, the growth can follow an external approach where a CBI recruits new members and gets them to commit to increasing their savings base held with the CBI. The 2nd semester deposit and member mobilisation events calendar will be released later on in the year through the newsletter editions. Let us meet at these events as we move to grow our CBIs and the sector at large.

Let's work and celebrate this day together!

Climate, Food & Solidarity

The call for action on Nelson Mandela International Day on the 18th of July 2023 is “Climate, Food & Solidarity” and reflects on some of the most urgent challenges facing people worldwide.



This year, we will focus on dismantling poverty and inequality by taking action against climate change and creating resilient food environments!

“One Hand Can Feed Another”

“Do what you can, with what you have, wherever you are.”

Announcements with the Co-operative Banks Development Agency

Recruitments Ms Ofentse Seageng

&

Appointments The Co-operative Banks Development Agency would like to welcome Ms Ofentse Seageng, who commenced duties as a Finance Clerk on 11 April 2023. We wish her well in the time that she will be part of the CBDA.



Achievements We would like to CONGRATULATE Mr Oral Mat-simbi for competing in the hardest marathon run in South Africa and claiming his “bronz medal”as the story got told ...not an easy journey but he had to endure and complete what he started!!



CBDA TRAINING CALENDAR

TRAINING PROGRAMME	LOCATION	TARGET AUDIENCE	NUMBER OF DELEGATES PER	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	
Product Development	1 Onsite	Board of Directors Credit committee Investment committee Manager	Onsite - max 50		Onsite - GP											
Treasury Management	1 Onsite	Board of Directors Manager	Onsite - max 25		Onsite - EC											
Treasury Management	1 Onsite	Board of Directors Manager	Onsite - max 25			Onsite - KZN										
National Credit Regulator: Compliance	1 Virtual	Board of Directors Credit committee Manager Loan officer	Virtual - min 25			Virtual										
Bookkeeping	1 Onsite	Treasurer Manager Staff	Onsite - max 30				Onsite - TBC									
Supervisory/Audit Committee training	1 Onsite	Supervisory/Audit committee Board Exco Manager	Onsite - max 30					Onsite - NW								
Customer Service	1 Onsite	Manager Staff	Onsite - max 30							Onsite - TBC						
Strategic Planning	1 Onsite	Supervisory/Audit committee Board of Directors Manager	Onsite - max 30						Onsite - TBC							
Marketing	1 Onsite	Marketing Committee Manager Staff	Onsite - max 30								Onsite - TBC					
Financial Intelligence Centre: Compliance	1 Virtual	Board of Directors Manager Staff	Virtual - min 25									Onsite - TBC				Virtual
***Governance training will be provided on request by CBIs																

Approved by Director CBU

Name: N.S. Muli

Signature: 

Date: 3 April 2023



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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MEDIA STATEMENT

PLAY YOUR PART THIS MONEY SMART WEEK

INVITATION FOR ORGANISATIONS TO PARTICIPATE IN MONEY SMART WEEK SOUTH AFRICA (MSWSA) 2023 - 28 AUGUST TO 3 SEPTEMBER 2023

After a very successful Money Smart Week South Africa (MSWSA) 2022, the National Treasury, the Financial Sector Conduct Authority and National Consumer Financial Education Committee invite organisations to participate in MSWSA 2023, which will take place from **28 August to 3 September 2023**. A key objective of MSWSA is to provide a national collaborative platform and mobilise a wide range of stakeholders to motivate, empower and educate South Africans, including the youth, and contribute to a more financially literate citizenry. Since its launch in 2018, the initiative has reached over 80 million South Africans. Stakeholder participation is also on the increase, with 40% more organisations taking part in 2022 compared to the previous year.

Participation in MSWSA is open to any organisation or individuals, including academic institutions, government departments, regulatory authorities, financial institutions, community groups, companies, Non-Governmental Organisations and Public Benefit Organisations. Activities undertaken during this campaign include free workshops, presentations, mall activations, exhibitions, and webinars. Interested participants are invited to organise their own financial education initiatives and events to host during the week-long campaign.

Participants are encouraged to register from 30 June 2023. Further details will be provided during information-sharing sessions preceding the campaign which will be organised by the MSWSA Steering Committee and its various sub-committees.

For more information visit www.mswsa.co.za or email info@mswsa.co.za.
Join us in making South Africa Money Smart!

Website: www.mswsa.co.za

Facebook: Money Smart Week South Africa

Twitter: @MSW_SA

Instagram: @money_smart_week_sa

YouTube: Money Smart Week South Africa

Email: info@mswsa.co.za

Jointly issued by National Treasury and the Financial Sector Conduct Authority
Date: 01 June 2023



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SOUTH AFRICAN RESERVE BANK
Prudential Authority

Ref.: 15/8/1/3

To: All co-operative financial institutions

Proposed Directive issued in terms of section 48 of the Co-operative Banks Act, 2007 (Act No. 40 of 2007)

Statement by individuals who are holding, or are proposing to hold, the office of a director, managing director or executive officer of a co-operative financial institution

Executive summary

Section 40B(1) of the Co-operative Banks Act, 2007 (Act No. 40 of 2007) (Co-operative Banks Act) requires that in order for a co-operative financial institution (CFI) to qualify for registration, or to continue to be registered, a CFI must, among other things, demonstrate, to the satisfaction of the Prudential Authority (PA) on an ongoing basis that it, inter alia, has the requisite experience, knowledge, qualifications and competence to give effect to its obligations and that it has sufficient human, financial, and operational capacity to function efficiently and competently.

CFIs are required to notify the Registrar of Co-operatives¹, through the Form CO-OP2, when a new director, managing director or executive officer has been appointed, such persons have changed addresses, or vacated the office.

The purpose of this Directive is to direct CFIs to complete a statement with regard to the fitness and propriety of current or proposed directors, managing directors or executive officers.

1. Introduction

- 1.1 Sections 40B(1)(a) and (b) of the Co-operative Banks Act require, among other things, that in order to qualify for registration, or to continue to be registered, a CFI must demonstrate, to the satisfaction of the PA on an ongoing basis that it, inter alia:
 - 1.1.1 has the requisite experience, knowledge, qualifications and competence to give effect to its obligations; and
 - 1.1.2 has sufficient human, financial, and operational capacity to function efficiently and competently.
- 1.2 In addition, paragraph 10 of the Prudential Standard TCFI-01 requires the manager, person to be appointed to the position of manager and members of the board of the CFI to have appropriate educational qualifications, experience or expertise, relevant skills and knowledge required for the effective and prudent management and

¹ The Registrar of Co-operatives as defined in the Co-operatives Act, 2005 (Act No. 14 of 2005)

oversight of the CFI. Furthermore, executive officers² appointed by the CFI are required to be competent to prudently manage the business of the CFI.

- 1.3 In terms of sections 6 and 39 of the Co-operatives Act, 2005 (Act No. 14 of 2005), CFIs are required to notify the Registrar of Co-operatives, through the completion of Form CO-OP2:
 - 1.3.1 of the full names, address and identity number of each person appointed as a director, within 30 days of such appointment;
 - 1.3.2 of any change of address of a director, within 30 days of knowledge of such change;
 - 1.3.3 after any director has vacated office, within 30 days of such vacation;
 - 1.3.4 of the reason for the resignation or removal of a director from office; and
 - 1.3.5 of such further information as may be prescribed by the Minister.
- 1.4 To ensure effective implementation and administration of the Co-operative Banks Act and to protect members and the public in general, section 48 of the Co-operative Banks Act enables the PA to issue a directive to a CFI to, inter alia:
 - 1.4.1 implement specific practices, procedures or processes; and
 - 1.4.2 take specific actions or measures.

2. Directive

- 2.1 Based on the aforementioned, and in accordance with the provisions of section 48 of the Co-operative Banks Act, CFIs are hereby directed as follows:
 - 2.2 A duly completed statement and declaration (Form CBF2³) must be submitted to the PA by the CFI in respect of:
 - 2.2.1 every person who for the first time accepts an appointment as a director⁴, managing director or executive officer of a CFI at least 30 days prior to the appointment becoming effective;
 - 2.2.2 every person who previously served as a director⁵, managing director or executive officer of a CFI, but subsequently resigned as such and is being reappointed as a managing director or executive officer of a CFI, after a period of more than twelve months since the date of resignation, at least 30 days prior to the appointment becoming effective; and
 - 2.2.3 any serving director, managing director or executive officer of a CFI, at the request of the PA.
 - 2.3 A copy of the Companies and Intellectual Properties Commission (CIPC) Form CO-OP2, submitted to the Registrar of Co-operatives, must also be submitted to the PA.
 - 2.4 The Form CBF2 must be submitted to the PA in respect of all existing directors, managing directors and executive officers within six months of the date of this Directive.

² Prudential Standard TCFI-01 defines executive officers to include any employee of the CFI that reports directly to the manager of the CFI.

³ <https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-deposit-takers/co-operative-banks-forms/2010/8567>

⁴ If elected as a director of a CFI at least 30 days after the annual general meeting.

⁵ If re-elected as a director of a CFI at least 30 days after the annual general meeting.

- 2.5 The PA may require CFIs to submit the Form CBF2 on an ad hoc basis when deemed necessary and in line with the application of a risk-based approach to supervision.
- 2.6 The PA may object to the appointment of directors, managing directors or executive officers of a CFI where such person is considered by the PA not to be fit and proper to hold the relevant position. Furthermore, the PA may issue a directive in terms of applicable legislation, directing the CFI to remove the person within a period stated in such a directive.
3. **Invitation for comment**
- 3.1 CFIs and other interested persons are hereby invited to submit their comments on the proposed Directive to pa-bankingteam1-memberbased@resbank.co.za by 10 July 2023.
- 3.2 The comments received may be published on the PA's website, unless a respondent specifically requests confidential treatment.

Fundi Tshazibana

Fundi Tshazibana
Chief Executive Officer

Date: 06/06/23