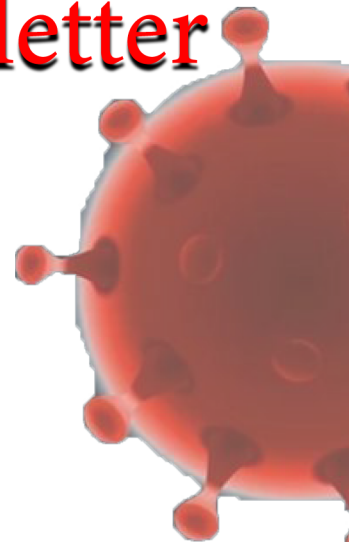
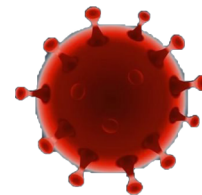
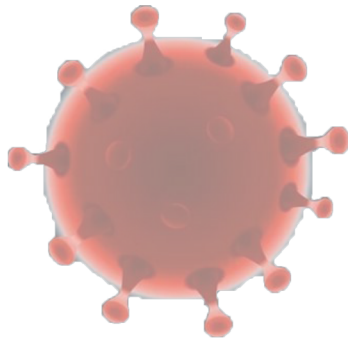
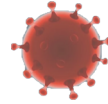
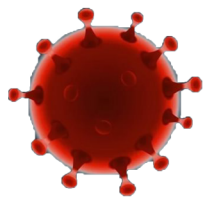


Volume 1- Issue 1

November 2020

CBDA

The Connection Newsletter



Sector Update

Quarterly Review

Registered with PA

CFI Focus(Boikago)

Editorial Team

Tebogo Tshabalala

Raesibe Mphahlele

Design & Layout

Theo Ndlovu

It has been eight months since being seconded from the Prudential Authority to the Co-operative Banks Development Agency in the capacity of Acting Managing Director after a two and a half year's absence from the Agency. Covid-19 struck at the beginning of my tenure which required both the Agency and Co-operative Banking Institutions to adapt to their new circumstances. Everyone in the sector deserves a pat on the back for their adaptability to maintain operations during the challenges of lockdown.

There were a number of changes in the Agency. The Board was virtually new to me, with Jeffrey Ndumo, a key driver of Governments co-operatives policy having been appointed as acting Chairperson of the Board. The Board's decision to discontinue the Banking Platform project was a major development. Notwithstanding, it was decided to retain all the Central Services Staff. Most have been deployed into the Capacity Building Unit enlarging it from its four analysts to nine. Furthermore, the unit is now divided into two sections, Organisational Development that will focus on the training needs of the sector and co-operative development section, which will focus on the starting up, operationalising and growing CFIs into Co-operative Banks. Digitisation of CFIs will be a cross cutting focus through all phases of growth.

The CBDA was also able to adapt to its new circumstances and have learned that start up support, direct technical assistance and training can be done remotely at a fraction of the cost of contact support. A successful four-part webinar series with the Gauteng Department of Economic Development, where the Prudential Authority and Financial Sector Conduct Authority gave inputs on their supervisory program, while the African Confederation of Co-operative Savings and Credit Associations and the Association

SECTOR UPDATE

By David De Jong



of Savings and Investments of SA spoke co-operators on CFIs and savings in these times of Covid-19.

The current interest and initiatives taking place in the co-operative banking space is exciting. Stokvels and their associations, the taxi and transportation industry, teachers, municipal workers and a number of municipalities are all working to register CFIs with the intent of converting to co-op banks. A task team has also been set up to begin working on the formation of a secondary co-operative bank. (volunteers please)

Finally, the CBDA, with the assistance of the World Bank and National Treasury have been conducting an exercise to forge out options toward a co-operative banking strategy. We will soon be setting up a forum to discuss the outcomes of recent surveys conducted, on both the sectors desires with regards to strategy and in creating a deposit insurance to include CFI's

The Relevance of Digital Transformation

By Raesibe Mphahlele

The Future is now and it is DIGITAL.

The **COVID-19** pandemic has accelerated the use of digital products and services; it has redefined how institutions operate. In an environment where minimal physical contact is optimal and remote access to products and services is preferable, many institutions have invested in technology solutions that digitalize their processes; enabling them to deliver value to their customers and to remain relevant.

Co-operative Banking Institutions

exist to serve their members. Members' demands are continuously evolving and becoming increasingly tech-inclined. Accenture's 2017 Financial Services Global Distribution & Marketing Consumer Study, identified changes in consumer behaviours and expectations in the banking sector; the study indicates that all consumers are digitally active in one way or another.

Members as consumers expect to have similar interactions with the Financial co-operatives as they do with other financial service providers. The ability to provide financial products and services that are accessible digitally and offer convenience to the members is now more important than ever.

Technology is no longer an option in the co-operative banking sector but an integral part of strategy. It is often viewed as the driver for change however, it is more of a tool providing new capabilities and the means by which strategy can be implemented. The real change stems from a shift in mind-set. The fusion of the physical and digital spheres has ushered in an era of disruption and the financial sector is not spared. In a world of rapid digital changes, the co-operative banking sector has to reinvent itself and make headway with digital transformation.

Digital transformation refers to the ability to integrate digital technologies and tools into all areas of an institution; renovating existing business models and improving work routines to deliver value to the end-user. It requires collaboration at all levels of the institution to enable people to adopt the technology and optimizing processes in ways that will enable better decision-making and bring about efficiencies for an improved product and service offering. Digital transformation is about redefining strategy and culture; it begins with the people.

For an institution embarking on the digital transformation journey, cyber-security should not be an afterthought. Best practices for protecting data, intellectual property and the reputation of the institution must be taken into account to reduce cyber security threats. Members' personal details must be guarded. The benefits of digital transformation outweigh the challenges often faced.

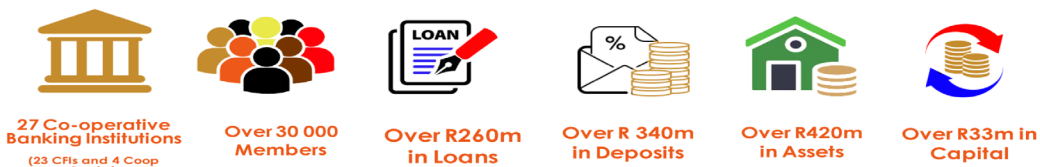
Institution can expect tremendous amounts of data to be collected through digitalized processes, providing the opportunity to understand the data and contributing to data-driven decision making. Digitization creates a closer bond with members as interactions cannot be limited to the operating hours of the co-operative, with digitized products

and services members have around the clock access to the co-operative. Integrating technology into the functional areas of the institution is always followed by the employees' need to acquire new skills, creating a culture of learning and a working environment that ignites creativity and innovation.

A critical element to digital transformation is having the internal buy-in that the transformation is definitely needed and aligned with strategic goals that are clearly defined and communicated. Once adoption is achieved, the adaptation will follow seamlessly through processes that connect people, information and systems. Finally, the revolution cannot be escaped.

SECTOR OVERVIEW

As at end Feb 2020



Co-operative Banking Institution

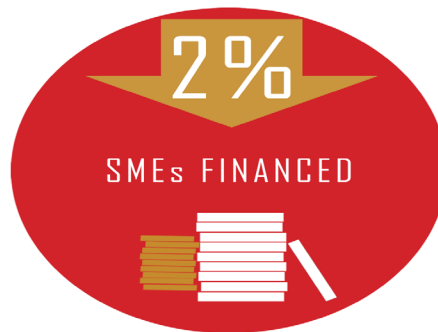
QUARTERLY REVIEW

Q1 - Q2 period



RESEARCH TEAM ;

Tebogo Tshabalala
Theo Ndlovu



*only 21 CBI's responded

Upcoming ACCOSCA Events



EVENT	DATE	LOCATION
Development Educators Philosophy-VARIOUS	3 January to 2 February 2021	NAIROBI
Africa Development Educators workshop	7 -12 February 2021	GHANA
Women Regional Forum - SOUTH	3 March 2021	MALAWI
Regional Forum - SOUTH	4 - 5 March 2021	MALAWI
COOP EXECUTIVE PROGRAM*** For Development Educators only	April 2021	KENYA-MALINDI
Africa Development Educators only	2 - 7 May 2021	BOTSWANA
DE WORKSHOP*** For DEs only	May 2021 (Dates to be advised)	MALAWI & KENYA
EXCHANGE PROGRAM	June 2021	AUSTRALIA
For further information please contact info@accosca.org		

*Should any stakeholder want to share any upcoming events please contact us at cbda@treasury.gov.za

Regulatory Policy Updates

The National Treasury has published the first draft of the Financial Inclusion Policy Paper, “An Inclusive Financial Sector For All”. Public comments are to be submitted by the 03 December 2020.

The National Treasury also invited public comments on the second draft of the Conduct of Financial Institutions (COFI) Bill and comments were due by the end of October.

Both these policy document will have implications for CFIs and Co-operative banking and the CBDA would strongly encourage the sector to engage, and make comment on these policy proposals.

Both these policy documents are available on the National Treasury website
www.treasury.gov.za

CFI Focus :

Boikago



Interview of Boikago SACCO Manager - Beauty Gwabeni by Poppy Thubana

Briefly tell us about the history of Boikago

Boikago Savings & Credit Co-operative

(Sacco) was established in February 2005. It was formed primarily to create a pool of savings and enable the members access to credit (loans) at affordable rates and enjoy better interest in their savings. Our common bond is defined as "People working and living in Mafikeng/Mmabatho town and surrounding areas".

Did Boikago operate at full capacity during the lockdown of level 5? If yes what did you do to apply lockdown regulations and if not, when did you start operating in full capacity? and which measures did you put in place to ensure the safety of members and employees?

At level 5, Boikago was not fully operational. At this stage members were encouraged to call the office and make appointments. Less than 5 members were permitted within the office. We started to operate fully during level 4, May 2020 and the following has been put in place:

No Masks No Entrance

- The sanitizer stands as you reach the office

- Sanitizer on desk for each employee.

- Members pen stand with the sanitiser for safety

- Glass screen has been installed for security between members and staff members

- Offices fumigated

- Only 5 members permitted within the office at a time

Did you adapt your business operations in response to COVID-19 and its associated impacts? How did those adaptations affect your revenues and operations?

It wasn't easy, particularly during Level 5 as we had to adjust the way we were working. The appointment process decreased the number of members we normally assisted under normal circumstances, which had a negative effect on our operations, resulting a decrease in loans and lots of withdrawals which also affected our liquidity.

What concerns do you have about Boikago as we continue with operations during the COVID-19 pandemic?

Our primary concern is for the welfare of our staff and members in general. We will continue to improve protective equipment to protect them. We are also worried about possible losses that keeps our costs to income ratio high and the number of loans issued recently which might be affected by the pandemic and as members are financially fragile.

What concerns do you anticipate your members have as they consider visiting Boikago SACCO And how do you plan to alleviate those concerns?

Our members biggest concern is to contract the virus as we serve them. We are trying our best to protect them from contracting the virus.

NOTE:

We would like to pay our gratitude and our respects to the late Beauty Gwabeni for her contributions to the article and for her years of service in the sector. Condolences to her family and Boikago SACCO.

Registered with PA

compiled by Khuthala Lengisi

Name of CFI/CB	Common Bond	Location	Contact Details
Eastern Cape			
Imvelo Agricultural CFI	Agricultural Cooperatives in the Eastern Cape, including individual members within those co-operative	59 Prince Alfred Street, Queenstown, 532	Peter Bathathu 045 838 8086 bathathu@chrishanicdc.org
Kingdom CFI	Any one who reside and/or working in Mbashe local Municipality	Coner Guido and Evelyn Street, Dutywa, Eastern Cap	Ms Miranda Mvuniyswa 078 0447436
Gauteng			
General Inheritance Group Financial Co-operative (GIG)	members with common membership in the GIG institute	373 Leslie Ave, Fourways, Johannesburg, 2055	Ms Karen Black 084 990 1726 manager@gigtrust.co.za
KSK Koöperatiewe Bank Beperk	Primary Savings and Loans	No 9 Uit & Tuis Winkelsentrum Plaas Kleinfontein JR 368, Cullinan	Leon Viljoen 012 802 1413 leon@kskfin.co.za
Nagrik CFI	Persons in business in the area of Centurion	294 Tag Street, Laudium, Pretoria 0037	Mr Ramjee 074 522 3323
Ndzhakeni South Avenue Co-operative Financial Services	Stokvel members of Ndzakeni Investments Stokvel and New Avenue	Roodepoort	Ms Thato Ntsoelengoe 083 544 8173
OranjekaspaarenKredietKoöperatief	All Members of VolksekonomieKlub	1241 Collinslaan, Waverly, Pretoria, 0135	Mr Joseph Kidson 012 754 5454
POPLAR frontline Foundation CFI	All members of Popular Frontline foundation (NGO)	Springs	Mrs Sibongile Sithole 083 163 9360
South African Democratic Teachers Union (SADTU) CFI	SADTU members, SADTU staff and its related institutions and their employees	Kempton Park, Gauteng	Mr. SihleNgubane 011 9712000
Tshwane Community FSC	People who reside or work in Region 1 of Tshwane Metropolitan	8 First Street, Menlopark, Pretoria 0181	Mr Andre van Tonder 082 9231496/ 0873302434
Umnotho CFI	All members of Umnotho for empowerment NPO and their immediate families	Muldersdrift, Gauteng	Mr Leslie Gama 010 5959727
Webbers Savings and Credit Co-op Bank	All permanent employees of Saville Pty (Ltd) t/a Webbers	Midrand-City of Johannesburg	(010) 221 4600 Wilna.bignaut@savillerow.co.za
Young women in Business Network (YWBN)	Any member of the Young Women in Business Network (Pty) Limited who live and work in the SADC region. This would professionals, Entrepreneurs, Business people, society groups and stokvels	22 Voortrekker, Edenvale, Johannesburg	Ms KamogeloMasenamela finance@ywbn.co.za 087 550 3212

Kwa-Zulu Natal			
King Cetshwayo	People who reside In king Cetshwayo District Municipality	Richards Bay, KZN	Mr S. Gumede 073 7212681
King Grange	Taxi operators of Grange, Westgate and Imbali taxi associations and their family members	Shop No 3, Laager Centre, Umsunduzi, Pietermaritzburg, 3231	Mr. Mduduzi Chamane/ Zinhle Nhleko 033 3422 398 grange3201@gmail.com zinhle8508@gmail.com
Londoloza CFI Limited	People living and workindine In Umlazi Township	Umlazi, Durban	Ms M Nxumalo 079 9755000
Ndlovukazi CFI	Women who are members of Nandi KaBhebhe Co-operative	16 Harish Road Nagina 4001	ZaneleKhanyile 071 365 0602 zanele@ndlovukaziyakwa-zulufsc.co.za
Peoples Empowerment FSC	All who reside in EtheKwini Municipality	127 Johannes Nkosi Street, Durban, 4001	Ms Elizabeth Khumalo 031 309 1264 elizkhumalo@pecfi.co.za 0313091264@telkomsa.net
Women Building Our Africa Financial Services Primary Co-operative Limited	Members of Africa4Africa women empowerment Non Profit Company	14 Frosterly Crescent Umhlanga 4319	Ms Vani Moodley moodleyvani@iafrica.com
Ziphakamise Savings and Credit Co-op Bank	Employees of Bell Equipment and any person living and/or working in organizations within the boundary of the city of uMhlathuze.	3 Chloorkring Street Alton Richards Bay 3900	Manager: ZaseNgema manager@ziphakamise.co.za 035 797 5175 083 268 7111
Limpopo			
Mutapa FSC	People who reside or work in the magisterial district of Vuwani and surrounding areas of Mudavula, Mulamula, Khomanani and Levubu farms including farm area of Ongedacht LE 52 (Kurhuleni/Mission)	Shop No 2, LEDA Factory Units, Vuwani	Mr Rufus Kharidzha 082 888 4623
Northern Cape			
Orania Co-operative Bank (OSK Koöperatiewe Bank Beperk)	Anyone one living and or working in Orania.	135 Smaragstraat, Orania, 8752	Manager: Hanri Maritz 053 207 0010 osk@oranet.co.za
North West			
Boikago SACCO	All the peopkle living, working and worshipping in MmbathoMafikeng and surronding rural areas in the Mafikeng Local Municipality of the North West Province	25 North Street, Mahikeng, 2745	Ms Gwabeni 081 3842644
Ditsobotla Co-operative Bank	People who work and reside in Ditsobotla Municipality	Kotzen Centre, Gerrit Maritz Street, Lichtenburg, 2740	Tel018 632 5520 Fax : +27 18 632 5576 itirelen@mail.ngo.za
Motswedi FSC Ltd.	All the people living, working and worshipping in Motswedi, Barakalalo, Gopane and Lobatlavillages in the North West Province	Motswedi	Mr Irfan Shaik 018 3651701

Source: CFI and CBs registered with the Prudential Authority, as per the 16th of September 2020 (PA website)