

Co-operative Banking Sector Newsletter

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At the Centre of Co-operative
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**Co-operative Banks
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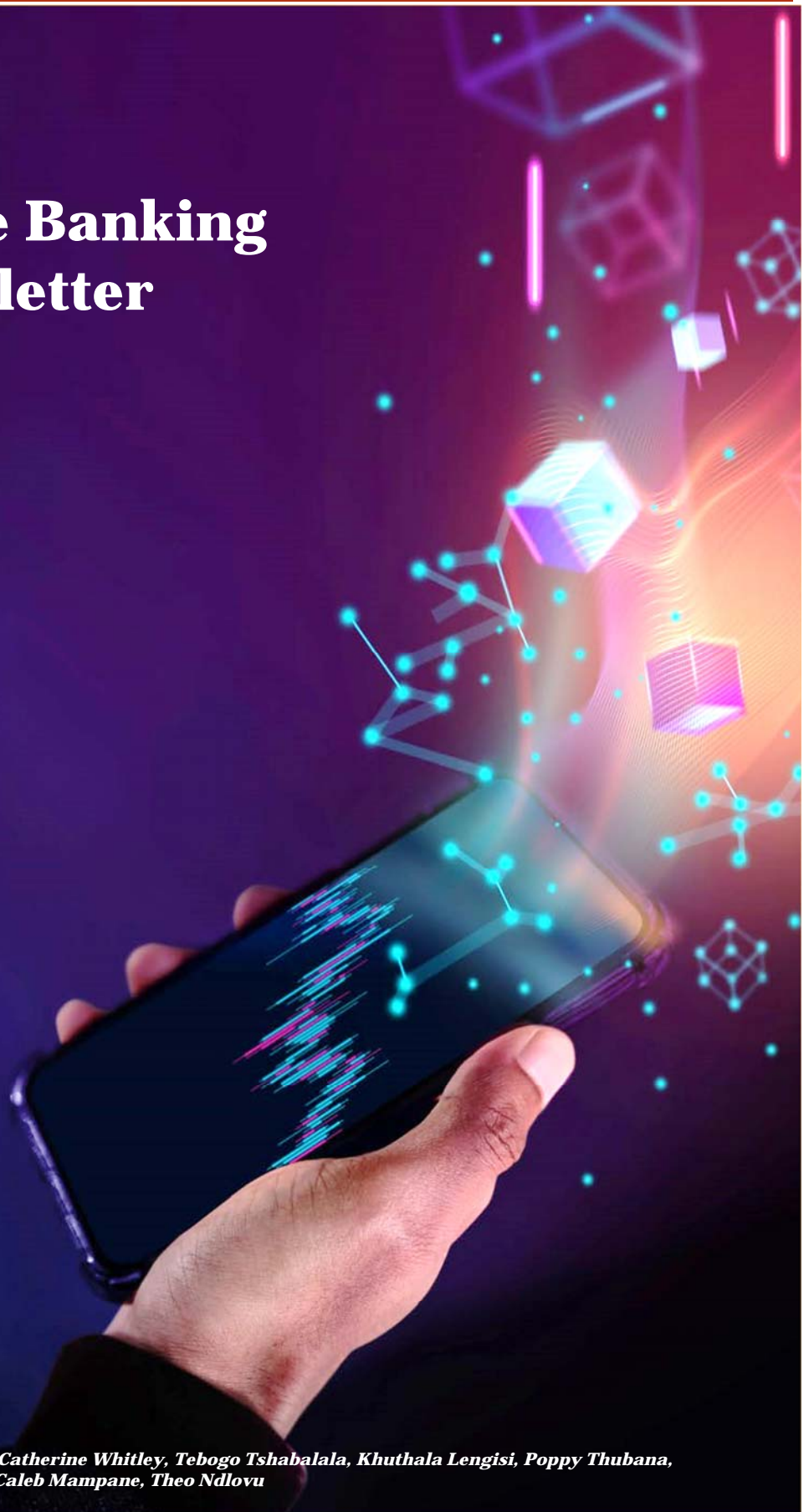
**Co-operative Banks
Registered with Prudential
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**Register of Co-operative
Financial Institutions (CFIs)
with the Prudential
Authority (PA)**

Deregistered

EDITORIAL TEAM

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



HIGHLIGHTS

The last quarter of the financial year 2022/2023 became a very busy quarter and the Cooperative Banks Development Agency is delighted to share all the “tea” with you.



From the desk of the editorial team

The CBDA is in its last quarter and much has happened during the 2022/2023 financial year.

Cooperative Banking Sector Strategy (CBSS)

The Co-operatives Banking Indaba held during November 2022 in East London, reflected on the achievements, challenges sustained and took pragmatic resolutions to fast-track the enactment of the strategic objectives.

It is therefore exciting to announce that the Steering Committee is well on its way in ensuring that the CBSS is implemented across the sector and that as much buy-in is received with a focus on the establishment of a “Secondary Co-operative Bank (SCB)” for scale.

Two onsite engagements took place from 02 to 05 February and 10 to 12 March 2023. These workshops were well attended as the Steering Committee members is represented by board members from cooperative banking institutions (cbis) such as *Nagriksa, SADTU, SAMWU, Ditsobotla Cooperative Bank, Black Capital CFI, Kingdom CFI, Boikago CBI, NEHAWU, Ziphakamise, Indlovukazi CBI, etc.*

The 2nd enabler is being embarked on, which is the support organisation for advocacy and training wherein members within the cooperative banking sector space were identified and brought on board to assist with branding and marketing, etc.

With the above said we are looking forward to engaging in May 2023 to see how much progress has been made in the (7) seven weeks leading up to the workshop.



Cooperative Banking Sector Strategy workshop – 10 to 12 March 2023

“If you want to lift yourself up, lift up someone else.” – Booker T. Washington

Co-operative Banks Development Agency (CBDA) Board



Ms Thulisile Mashanda

She served on the CBDA Board since 2019 and was the Chairperson of the CBDA, Human Resources & Remuneration committee as well as a member of the CBDA, Risk & ICT committee. We appreciate the value she added to the governance committees of the CBDA during her tenure as a board member.



Ms Prudence Motseo

We are pleased to announce that Ms Prudence Motseo availed herself as the Human Resources & Remuneration Committees, Chairperson to ensure that CBDA Human Resource strategic matters continues.

Internal Recruitment & Appointments



Ms Poppy Thubana
Technical Analyst



Ms Tebogo Tshabalala
Technical Analyst



Ms Portia Botabota
Junior Technical Analyst



Ms Khuthala Lengisi
Junior Technical Analyst



Mr Caleb Mampane
Senior Technical Analyst



Mr Nare Senne
Technical Analyst



Mr Theo Ndlovu
Junior Technical Analyst

The CBDA would like to welcome the new appointees who transitioned from being contract employees for almost 6 (six) years to becoming permanent employees within CBDA. This is a great milestone to each and every one of them, as some of them were absorbed when the then Central Support Services unit within CBDA was made redundant. The employees were absorbed to the Capacity Building unit where they underwent training to function within the roles that they were absorbed into and now becoming specialists in their field.

“Success is best when it’s shared” – Howard Schultz

Ditsobotla In-house Training & North-West Province CBI's Governance Training-

Article by Raymond Makgongwana – Marketing officer- Ditsobotla

Co-operative Banks Development Agency (CBDA), through its capacity building unit, responded to a request made by Ditsobotla Co-operative Bank Ltd (DCB) to capacitate the board of directors and supervisory committee on financial management basics. CBDA conducted the in-house training to DCB's board of directors, supervisory committee, and education committee from the 6th – 9th February 2023.

The board executive committee of DCB, after last AGM, elected new members of the board and saw a need to request training to help capacitate new board members in order for them to discharge their duties.

Without a clear understanding of roles and responsibilities, the possibility of a breakdown in governance is more likely, hence the need to equip directors with the knowledge to be able to perform their duties. Indeed, the training has given more detailed knowledge on the roles and responsibilities of the board and will surely improve the compliance, reporting, monitoring, and evaluation of the CBI.

The honest truth is that the board is incomplete without clearly specifying the internal accountability of the board of directors and management of the CBI. In order to meet internal governance, it is of importance that these roles and responsibilities are well defined.

The four (4) day program covered the following important topics, which are:

- **Day 1 - Governance – Roles and responsibilities of the committees**
 - Roles and responsibilities of the board members
 - Roles and responsibilities of the Audit Committee
 - Roles and responsibilities of Credit Committee
 - Roles and responsibilities of education Committee

- **Day 2 – Financial management – Introduction to financial statement and analysis**
 - Introduction to the financial statements
 - Recording, compilation, and presentation of financial statements
 - Prudential Authority Monthly returns
 - Understanding of Prudential Standards (Ratios)
 - Analysis of ratios to establish the overall performance.

- **Day 3 – Governance – Risk management**
 - Conceptual issues and risk management framework
 - Banking operations
 - Credit risk management
 - Market risk management

- **Day 4 – Governance - Risk management - Continued**
 - Liquidity risk management
 - Managing bank capital
 - Operational risk management

CBDA continued their role to capacitate Co-operative Banking Institutions (CBIs) in the North-West province from the 10th – 12th February 2023, and the training was on governance. The three (3) CBIs represented for training in the North-West Province included Ditsobotla Co-operative Bank, Boikago SACCO, and Motswedi CFI.

The efforts by CBDA in ensuring that CBIs are capacitated in the North-West province to improve their standards of reporting and compliance is welcomed with open arms and hopefully other trainings will follow soon as this can inspire directors to work hard and use the knowledge to improve their respective CBIs in future.

On-site Training Umhlanga, KZN

Ziphakamise Cooperative Bank



I give credit to the training coordinator as it was very organized and well structured. The training was very informative, and we learnt the following:

Pros

1. Compliance requirements with PA, CIPC, NCR, SARS , etc.
2. What to include in the policies as per the governance compliance structures.
3. How to calculate Compliance Ratios to evaluate CFI performance
4. Disqualifying factors of becoming a board member.
5. Retail Bond presentation was very informative, and we will look into implementing it at our organization.
6. We got to understand Roles of the CBDA and that we can always rely on them for assistance and clarification on these that requires clarity.

Future

A template of Policies would be nice to view in the next training, in order to understand on what information is important to have in the policies.

Left to right: Bandile Mabaso, Nosipho Mdlalose, Batho Mthethwa

Article by Batho Mthethwa



Left to Right: Nkanyiso Makhathini, Nosipho Mdlalose, Batho Mthethwa

Of Tomorrow!

Onsite Training Interventions - Umhlanga



Left to right: **Asikhulesonga CFI**, Managing Director – Mr. Themba Mgwaba, Credit Committee Chair – Dr. Nelisiwe Mtolo, and Member: Ms. Sphesihle Ngwenya

As members we attended our first credit committee training session in KwaZulu Natal, Umhlanga.

“This was our first training session received from CBDA”.

This training was very helpful for us to understand the business we are embarking on, and it came at a critical state for us when we were intensively dealing with our CFI Registration Process with the PA.



Left to right: Supervisory/Audit Committee Chairperson – Ms. Thembi Dube and Managing Director – Mr. Themba Mgwaba

Members attending our second training session on governance for CFI Board Members in KwaZulu Natal, Umhlanga. We learnt a lot from this workshop, regarding governance issues, especially the following:

- Understanding the role of Board Meetings and Board of Directors roles & functions
- CFI Policies Implementation

Relationship between the Board of Directors, Supervisory/Audit, Management, Staff, and Membership.

Put skills in place to manage implementation of policies, procedures and what is expected within their roles.



Left to right: Managing Director – Mr. Themba Mgwaba, **Asikhulesonga CFI** and Mr Oral Matsimbi, CBDA

In a nutshell, Asikhulesonga CFI as an organization is in the pre-registration stage and the interaction with CBDA officials is very helpful.

We are looking forward to further our working relationship with the CBDA's capacity building and training team going forward to post-registration stage as a registered entity.



Capacitate the Co-operative Banking Sector for Future Growth



“EASTERN CAPE MUNICIPALITIES AT THE CENTRE OF CO-OPERATIVE BANKING INSTITUTIONS SUPPORT”

By Ayanda Sondara – EC DEDEAT



The promotion of cooperative banking institutions in South Africa has seen a significant growth in interest to establishment of cooperative banks amongst the Eastern Cape communities.

The Eastern Cape government has jumped on the fast-growing movement of CBI bandwagon and views this sector as a feasible alternative to the enhancement of the region's economic development that serve as a vehicle to effectuate inclusion of the previously underserved areas in the mainstream economy.

A well-harnessed cooperative banking sector could be the ray of light in response to high rising proportions of unemployment and absolute poverty given the critical socio-economic development deficiencies that plague the Eastern Cape communities.

This is supported by the mass-participation-nature and potential socio-economic benefits that the participating communities could derive from the cooperative banks.

Like any sector in the economy, cooperatives banking institutions are subjected to countless operational and strategic drawbacks ranging from capacity gaps to regulatory compliance issues. These challenges are primarily exacerbated by municipalities' complete lack of involvement and their clear inability to provide technical and resources-based support to emerging cooperative banking institutions.

In order to achieve this, the Co-operative Banks Development Agency (CBDA) recently sponsored the Co-operative Banking Model seminars in association with the Eastern Cape Department of Economic Development and Environmental Affairs and Tourism (DEDEAT).

This is a component of a series of capacity-building interventions that will be implemented in all the districts of the Eastern Cape province during the 2023/2024 financial year. The recent CBI workshops held in the Eastern Cape in Gqeberha and East London enjoyed a diverse participation from Metropolitan, District and Local municipalities represented by a contingent of vibrant local economic development practitioners.

This initiative sought to create a functional and cooperative CBI ecosystem in the Eastern Cape in addition to addressing the capacity gaps that currently exist among municipal officials.

It was clear that this would require a highly structured capacity building program aimed at local economic development and enterprise development practitioners from sector departments, development agencies, and municipalities.

Not only is this approach a necessary step to expand a functional CBI stakeholder footprint, it is also an attempt to comply with the District Development Model (DDM) of creating a more seamless, collaborative and better coordinated strategic collaboration across all government spheres.

It is through these strategic arrangements that a better coordinated support to the emerging Cooperative Banks will emerge.

Capacitate the Co-operative Banking Sector for Future Growth

SAVE THE DATES



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 Table 1 below) that specifically aim to ignite a CBI's growth. The growth can follow an internal approach where a CBIs 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.

The Co-op Banking Sir

Co-operative Banks Development Agency Training Calendar Financial Year 2023/2024

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											Virtual	
***Governance training will be provided on request by CBIs															

The sector requested that CBDA introduces Customer Service and Bookkeeping in their pool of training programmes and the CBDA listened.

Cooperative Banks Register with Prudential Authority



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Register of Co-operative Banks

Part 8 of the Regulations issued in terms of Section 86 of the Co-operative Banks Act, 2007
(Government Gazette No. 32357 dated 1 July 2009)

Name	Type	Registration Number as a Co-operative Bank	Registration Number as a Co-operative	Number of members*	Value of deposits*(Rand)	Registered with the PA
Ditsobotla Primary Savings and Credit Co-operative Bank	Primary Savings and Credit	PA COB 03	2001/000005/24	1,319	7 500 000	PA
OSK Koöperatiewe Bank Beperk	Primary Savings and Loans	PA COB 01	2002/00019/24	1,523	160 000 000	PA
Ziphakamise Savings and Credit Co-operative Bank	Primary Savings and Credit	PA COB 02	2008/001512/24	841	4 900 000	PA
Webbers Employees Savings and Credit Co-operative Bank	Primary Savings and Loans	PA COB 04	2004/000013/24	791	1 900 000	PA
KSK Koöperatiewe Bank Beperk	Primary Savings and Loans	PA COB 05	2004/000032/24	604	51 000 000	PA

*As at the end of 2019/2020

*Sourced from the Prudential Authority Website

"No one can whistle a symphony. It takes a whole orchestra to play it." – H.E. Luccock

Register of Co-operative Financial Institutions (CFIs) with the Prudential Authority(cont..)

Register of Co-operative Financial Institutions (CFIs) with the Prudential Authority

Chapter VIIA 40C (2), Co-operative Banks Act, 2007: Notice of registration

Name	Date Registered with the PA	Location	Common bond	Contact details	Members*	Value of deposits*
Motswedi Financial Services Co-operative Ltd.	08/04/2019	Stand 1645 Sebalagane Sec. Motswedi village, North West Province	All people living, working and worshipping in Motswedi, Borakalalo, Gopane and Lobatla villages in the North West Province	Ms Mmapula Moletsane motswedi.fsc@gmail.com 018 3651 701	2261	R13 556 000
Boikago Savings and Credit Co-operative Limited	08/05/2020	25 North Street, Mahikeng, 2745, North West Province	All the people living, working and worshipping in Mmbatho/Mafikeng and surrounding rural areas in the Mafikeng Local Municipality of the North West Province	Mrs Elizabeth Marumo boikagosacco@gmail.com	1265	R4 842 000
SADTU Savings and Credit Co-operative Ltd	27/05/2019	Corner Dann Road and Loam Street, Kempton Park, Gauteng	SADTU members, SADTU staff, SADTU and its related institutions and their employees	Mr. Sihle Ngubane Sihle Ngubane Sngubane@SADTU.org.za 011 9712 000	956	R2 373 000
Oranjekas Savings and Credit Co-operative (SACCO)	07/04/2020	1241 Collinslaan Moregloed Pretoria 0186	All members of Volkseconomie Klub	Mr Joseph Kidson Joseph.kidson@oranjekas.co.za https://www.oranjekas.co.za/index.php/kontakbesonderhede 012 7545 5454	1081	R42 431 000
Nagrik Financial Services Co-operative	07/04/2020	Corner Choprop House, 146 Willen Botha Street, Centurion Pretoria	Persons in business in the area of Centurion	Mr Ramjee Adminadmin@nagriksa.co.za www.nagriksa.co.za 074 5223 323	290	R1 891 000
Umnotho Financial Institute Primary Co-operative Ltd.	28/05/2019	Plot 79 Nooitgeddag, Rietfontein, Muldersdrift, 1739 Muldersdrift, Gauteng	All members of Umnotho for Empowerment NPO and their immediate families	Mr Leslie Gama info@umnotho.org.za https://www.umnotho.org.za/ 010 5959 727	390	R861 000
Kingdom Financial Institution Primary Co-operative Limited	19/03/2020	Corner Guido and Evelyn Street, Idutywa, Eastern Cape, 5000	Anyone who reside and/or working in Mbashe local municipality	Ms Miranda Mvuniyswa info@kingdomCfi.co.za 078 0447 436	463	R278 000
Tshwane Community Financial Services Co-operative Limited	24/03/2020	8 First Street, Menlo Park, Pretoria 0181	People who reside or work in Region 1 of Tshwane Metropolitan	Mr Rudy Myburgh Rudy@transafrica.co.za 079 821 6937 087 3302 434	348	R82 000

"Many companies get trapped by the paradox of hitting numbers 'now' versus improving sales for future quarters or years ahead." – Tiffani Bova, Salesforce Global Customer Growth and Innovation Evangelist"

Register of Co-operative Financial Institutions (CFIs) with the Prudential Authority (cont..)

Kings Grange Stokvel Financial Services Co-operative Limited	17/06/2020	27 Greyling Street Pietermaritzburg 3201	Taxi operators of Grange, Westgate and Imbail taxi associations and their family members	Mr. Mduduzi Chamane/ Zinhle Nhleko zinhle8508@gmail.com grange3201@gmail.com 033 3422 398	245	R252 000
Ndlovukazi YakwaZulu Women Financial Services Co-operative Limited	16/07/2020	16 Harish Road Nagina 4001	Women who are members of Nandi kaBhebhe co-operative	Deli Nyanda deli@ndlovukazi.yakwazulufsc.co.za 084 4251735	391	R570 000
People Empowerment CFI Primary Co-operative Limited	16/07/2020	127 Johannes Nkosi street Durban 4000	All people who reside in Ethekwini municipality	Ms Elizabeth Khumalo elizkhumalo@pecfi.co.za 0313091264@telkomsa.net 031 3091 264 081 4157 544	2443	R5 874 000
Women Building Our Africa Financial Services Primary Co-operative Limited	29/07/2020	14 Frosterly Cresnet Umhlanga 4319	Members of Africa4Africa women empowerment Non Profit Company	Kagiso Machele kagiso@wboa.co.za 061589 506	177	None
Ndzakeni South Avenue Co-operative Financial Services	07/04/2020	57 Lindhout Street Noordheuwel X4 Krugersdorp Johannesburg 1739	Stokvel members of Ndzakeni Investments Stokvel and New Avenue	Mrs Portia Mudau pkkeemetswe@gmail.com 083 4432 648	2454	R259 000
GIG Financial Services Primary Co-operative Limited	14/04/2020	373 Leslie Avenue, Fourways, 2055 Gauteng	Members with common membership in the GIG Institute	Ms Karen Black manager@qigtrust.co.za https://www.gig.coop 084 990 1726	716	R5 591 000
Mutapa Financial Services Co-operative Limited	05/05/2020	Limdev Vuwani, Small Business Industries, Vuwani, Limpopo	People who reside or work in the magisterial district of Vuwani and surrounding areas of Mudavula, Mulamula, Khomanani and Levubu farms including the farm area of Ongedacht LE 52 (Kurhuleni/Mission)	Mr Rufus Kharidzha kharidzhadzuquda@gmail.com www.mutapafsc.co.za 082 8884 623	422	R448 000
Young Women in Business Network Co-operative Financial Institution Limited	19/05/2020	22 Voortrekker Avenue Edenvale Ekurhuleni	Any member of the Young Women in Business Network (Pty) Limited who live and work in the SADC region. This would include professionals, entrepreneurs, business people, society groups and stokvels.	Ms Kamogelo Masenamela finance@ywbnc.co.za www.ywbnc.co.za 087 5503 212	462	R9 515 000
Imvelo Agricultural Co-operative Financial Institution Limited	24/08/2020	No 22 Cathcart Road Queenstown 5320	Agricultural Co-operatives and individuals within those Co-operatives in the Eastern Cape".	Peter Bathathu bathathu@chris-hanicdc.org 045 8388 086	394	R126 000

*Sourced from the Prudential Authority Website

Register of Co-operative Financial Institutions (CFIs) with the Prudential Authority

SA Primary Medical Financial Co-operative Limited	14/09/2020	Luna Arco Offices 201 Clock Tower Building Waterfront Cape Town 8001	Each member must provide proof of membership to one of the specified professional medical bodies / organisations prior to being allowed as a member: a) Health Professionals Council of South Africa; b) The South African Nursing Council; c) Pharmaceutical Society of South Africa; d) South African Medical, Homoeopathic, Physiotherapy and Psychiatrists Associations; e) Board of Healthcare Funders and the Council for Medical Schemes; f) South African Institute for Healthcare Managers; g) Hospital, Day Hospital and Renal Care Associations of South Africa; h) South African Veterinary Association; i) South African Medical Association; j) Any further groups approved by the Supervisor; k) The Public Health Association of South Africa; l) The South African Medical Device Industry Association; and m) The Professional Provident Society of South Africa.	Lydia Hagedoorn lydia@medl.coop www.medl.coop 087 0571 427 076 5626 191	438	R12 085 000
Isikhungo Sabantu Financial Services Primary Co-operative Limited	09/11/2020	3rd Albertina Sisulu Road Johannesburg 2000	Members of the Isikhungo Sabantu Non Profit Company, their families and affiliated Non-Government Organizations (Early Childhood Development Movement) and Community Based Organisations (Congress of South African of Non-racial Communities' Movement).	Nathaniel Bricknell info@isikhungosabantu.org.za 081 548 5665 010 001 3890	209	None
National Stokvel Association of South Africa Financial Primary Co-operative Limited	16/02/2020	84 Albertina Sisulu Street Johannesburg 2000	Stokvel groups and individual Stokvel members in good standing with Stokvel groups that have a valid NASASA membership.	Mizi Mtshali mizi@nasasa.co.za 082 507 8699 Andy Hartman andyhartman21@gmail.com 073 996 2931	401	R442 000
Worcester Community Savings and Credit Cooperative Limited	24/03/2021	34 Klue Street Bergsig Worcester Western Cape 6850	All people who reside in the town of Worcester.	andyhartman21@gmail.com 073 996 2931	365	R17 000
The People's Stokvel Financial Co-operative	22/07/2021	138 West Street Sandton 2054	Associational common bond, all members of the PSFC will have to be members of the PCC before they can be considered for any product to be offered by the PSFC	palesa@palengoholdings.co.za MD : luyanda@thepeople.co.za	896	None
NEHAWU Savings and Credit Co-operative Limited	18/08/2021	56 Marshall street, Ghandi Square, Johannesburg, Gauteng	Members and employees of NEHAWU trade union	Ms Patiswa Kruca patiswa@nehawu.org.za www.nehawusac.co.co.za	12 252	R11 794 000

*Sourced from the Prudential Authority Website

Capacitate the Co-operative Banking Sector for Future Growth

Deregistered

Institution	Date Deregistered
Black Capital Financial Services Co-operative	2021-05-04
Londoloza Co-operative Financial Institution Limited	2021-04-14
Poplar Frontline Foundation CFI Primary Co-operative Limited	Voluntary liquidation- final registration pending
Mzansi Rural Arts and Craft Financial Services Co-operative Limited	2021-12-13

*Sourced from the Prudential Authority Website



CO-OPERATIVE BANKS DEVELOPMENT AGENCY

Contact Us

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0001

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"Strength and growth come only through continuous effort and struggle." – Napoleon Hill