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COOPERATIVE BANKING SYSTEM

Product Guide

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Introduction

Cooperative financial institutions (CFIs) and cooperative banks play a critical role in promoting financial inclusion and community-based banking in South Africa.

Rooted in principles of mutual ownership, democratic governance, and community upliftment, these institutions serve members—often from underserved or rural communities—by providing accessible, affordable, and ethical financial services.

Regulated by the Prudential Authority under the South African Reserve Bank (SARB) and governed by the Cooperative Banks Act (No. 40 of 2007), they are required to operate within specific regulatory thresholds while upholding transparency, sound governance, and member participation.

By pooling resources and distributing profits back into the community, cooperative banks and CFIs contribute meaningfully to local economic development, financial literacy, and inclusive growth.

Our Cooperative Banking System software has been purpose-built to support these institutions with compliance, scalability, and operational efficiency.
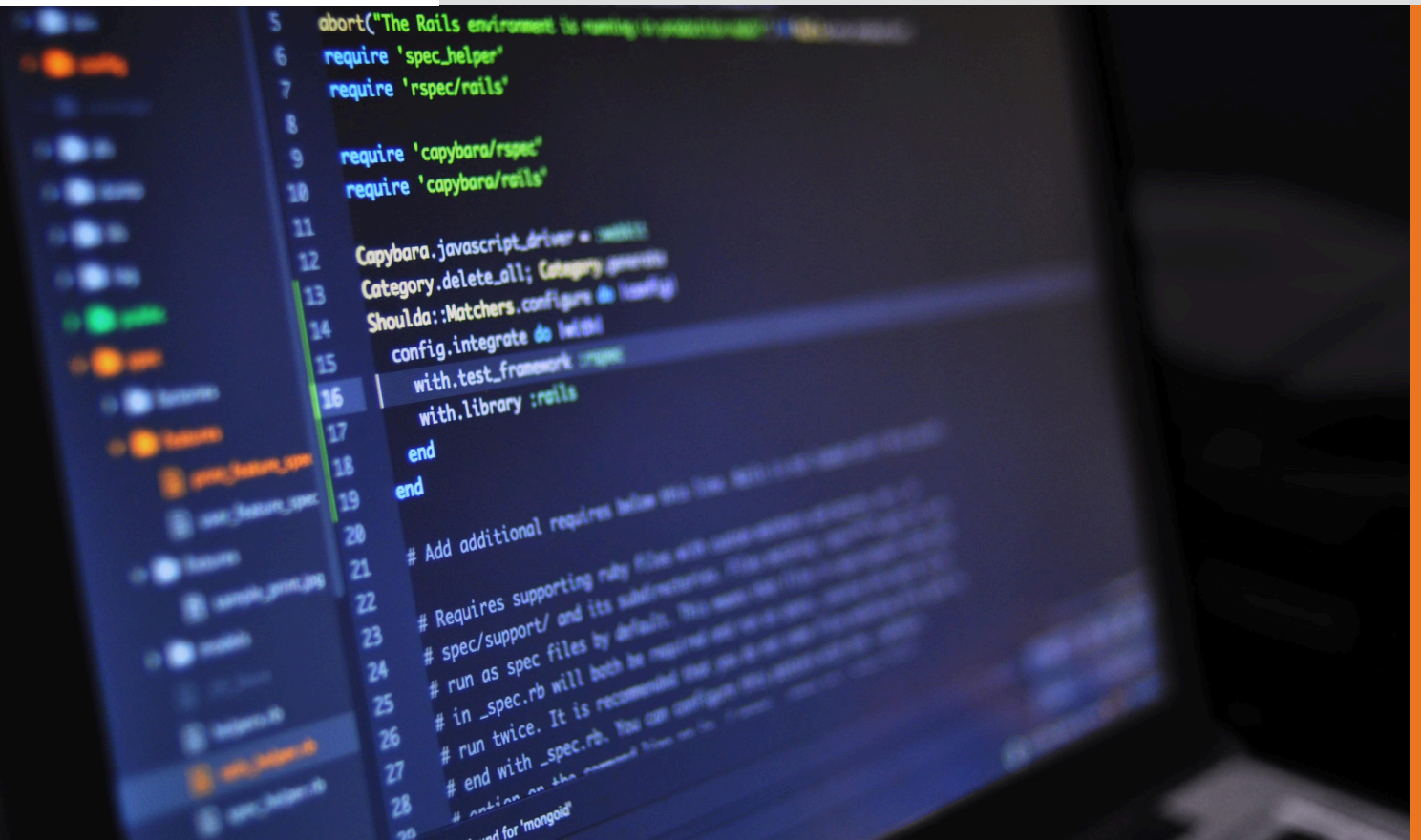
Why Us?

We have been involved in product, software, and systems development in South Africa for more than 40 years, including extensive experience with developing and implementing Banking Systems in major banks in South Africa and the UK.

Servicing banking institutions and government departments, as well as private businesses, we now also offer core banking system software for co-operative banks in South Africa.

We have the expertise and experience to build, design and develop your ideas, fully customized to your needs.

→ # Potential Users

The Cooperative Banking System is designed to serve a wide range of financial service providers that operate within the cooperative and community-based finance space. This includes:

- **Cooperative Financial Institutions (CFIs):**
  Registered CFIs that provide savings and credit facilities to their members, particularly in rural and semi-urban areas.

- **Cooperative Banks:**
  Licensed cooperative banks operating under the Co-operative Banks Act (No. 40 of 2007), offering full banking services to their members through a member-owned structure.

- **Credit Unions and Savings Groups:**
  Informal or semi-formal financial groups seeking to formalize operations, enhance record-keeping, and meet regulatory standards, in line with the Co-operatives Act (No. 14 of 2005).

- **Stokvel Management Organisations:**
  Groups or service providers assisting in the administration, digitalization, or transparency of stokvels — South Africa's most popular informal savings and investment groups.

- **Development Finance and Capacity-Building Organisations:**
  Entities involved in funding, supporting, or regulating cooperative banks and CFIs — including national and provincial development agencies, NGOs, and oversight bodies.

Key Features

1. Officials and User Management Functions

These features are designed to manage internal users, ensure secure access, assign roles, and maintain accountability:

- **Role-Based Access Control:** Define user rights, roles, and authorisations.
- **Mandate Numbers:** Assign and manage official mandate IDs.
- **Audit Trails:**
  - Log-on Tracking
  - User Activity Tracking

These features are designed to manage internal users, ensure secure access, assign roles, and maintain accountability:

- **Multi-User Access** with Role-Based Permissions
- **Rights & Authorisations**: Define roles for officials, including access and function rights
- **Mandate Numbers**: Assign official mandates and authority levels
- **Log-on Tracking**: Monitor user access and login patterns
- **User Activity Tracking**: Comprehensive audit trails for all system interactions

2. Client Functions

These functions focus on managing client information, relationships, accounts, and transactions:

👤 Profile & Account Management

- Client Profiles
- Related Party Profiles (e.g., signatories, guarantors)
- Relationship Definition (e.g., joint holders, dependents)
- Profile Groups (e.g., individual, small business, cooperative)
- FICA Compliance built-in
- Account Maintenance
- Accounts for Clients and Non-Clients
- Account Relationships and Rights

👤 Products & Services

- Dynamic Product Definition
- Product Groups
- Supported Product Types:
  - Savings
  - Loans (including Short-Term Loans)
  - Fixed Deposits
  - Current Accounts
  - Line-of-Credit

👤 Transactions

- Client Transactions
- Sundry Transactions
- Non-Client Transactions
- Suspended Transactions (pending approval)
- Transaction Reversals
- Standing Instructions (e.g., debit orders)
- Full Transaction Logs (audit-ready)

3. System & Financial Management Functions

These functions provide the backbone of the platform's operations, financial oversight, reporting, and integrations:

→ Financial & General Ledger Management

- **Income Definition:**
    - Fees Income (structured fee models)
    - Interest Income (define income groups)

- **General Ledger Integration:**
    - Link with existing accounting systems
    - Update GL per transaction with automatic postings

- **Cash Management:**
    - Denomination Management for cash handling and auditing

- **Share Management:**
    - Record and manage the issuance, transfer, and redemption of member shares
    - Issuing of share certificates
    - Integrate share transactions into member profiles and the general ledger
    - Maintain audit trails for equity changes in compliance with cooperative banking regulations

→ Forensic & Compliance Controls

- Comprehensive Forensic Tracking
- Transaction and Access Logs
- Built-in Compliance Reporting

→ Deployment & Integration

- In-House or SaaS Deployment
- Integration with External Accounting Platforms
- Export and Reporting for Audits and BI Tools
- Security & Encryption with traceability and role-based access
- Multi-Language Availability - English and Afrikaans

Conclusion

Our Cooperative Banking System is a powerful, scalable solution designed to meet the operational, financial, and regulatory needs of cooperative banks and financial institutions in South Africa.

With decades of experience in developing and implementing banking systems, our platform combines robust functionality with practical flexibility.

Whether you are looking to digitise your operations, strengthen compliance, or serve your members more efficiently, this system provides the tools, control, and reliability you need to grow sustainably. Backed by expert support and customizable to your institution's needs, the Cooperative Banking System is your partner in modern cooperative banking.

Ready to Transform Your Cooperative Banking Operations?

Partner with a team that understands the complexity and responsibility of community banking.
Whether you're a growing co-operative, or an established co-operative bank, our system is designed to help you scale securely, serve your members better, and stay fully compliant.

Get in touch today to schedule a demo, request a consultation, or learn how we can tailor the Cooperative Banking System to your institution's unique needs.

Click below to book a FREE Consultation today to discuss your requirements.

Book Now!

Or contact us below

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