



Invest in secure hands

# MEMBERS AWARENESS



## Background

- ▶ Formed in 1975 by employees of US Embassy in Kenya.
- ▶ Extended to US affiliates and other Embassies.
- ▶ Opened to other reputable organizations, **spouses and children of members of majority age.**
- ▶ Last interest (10.1%) and dividend (20%)



## Board Members

George Mimba	Chairman
Bonventure Juma	Vice Chairman
Wilson Sarich	Treasurer
John Gichuru	Hon. Secretary
Vincent Kisanya	Member
Judy Mathenge	Member
James Mutisya	Member
Joshua Opondo	Member
John Batista Ogoti	Member



**Balozi Savings and Credit Co-operative Society Ltd**  
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## Supervisory Committee

Dr. Evans Mutende	Chairman
Bartholomew Omullo	Secretary
Martin Karanja	Member



## Summary for AGM 2022

- ▶ Dividend 20%
- ▶ Interest 10.1%

### **Resolutions**

1. Members approved an increment of share capital by Ksh. 15,000 per member within the next 3 years (Ksh. 5,000/- per year from 2023 to 2025). Members are encouraged to save more than the minimum amount approved by the AGM towards their share capital in order to enjoy high returns.



# Summary for AGM 2022

## Resolutions

2. Members approved borrowing power to remain at Ksh. 1.5B and authorized the board to charge the Sacco's asset where applicable.
3. Members approved dissolution of Balozi Investment Company and formation of a new Investment Company.





## Why Join Balozi ?

- ▶ Enjoy various product and services
- ▶ Vehicle for investment thus creation of wealth
- ▶ Earn high interest/dividend
- ▶ Access more funds than savings
- ▶ Access cheap funds with no stress
- ▶ Enjoy excellent services- no need of visiting our offices
- ▶ Enjoy insurances services



## MEMBER'S RIGHTS

- ▶ Right starts on admission.
- ▶ Access all information in the SACCO
- ▶ Attend AGM's and other meetings
- ▶ Elect or be elected.
- ▶ Share surplus
- ▶ Submit/initiate projects to board





## MEMBER'S OBLIGATIONS

- ▶ Timely remittances.
- ▶ Obey the by- laws
- ▶ Participate in the Society projects
- ▶ Be faithful and honest in all their dealings
- ▶ Market the Society
- ▶ Avoid conflict of interest



# NOMINEES AND DEPENDANTS

- ▶ Nominees are the next of kin(s) (Will)
- ▶ Dependents are the members' nuclear family.
- ▶ Appoint nominee(s) and changes them anytime
- ▶ Nominee(s) are kept under key and lock
- ▶ Nominees are only opened on death.
- ▶ Members to update dependents and nominees where applicable



## **New Developments**

- ▶ Use of Collateral to secure loans.
- ▶ Previous members in good standing can rejoin
- ▶ Access your real time records via X-mobi App
- ▶ Access M-cash on click of a button on phone (\*882#)
- ▶ Balozi quarterly bulletin
- ▶ Special loan amalgamation at ZERO fee



## New Developments

- ▶ Membership open to both spouses and children
- ▶ Benevolent Fund expanded to cover for Biological parents (Ksh. 50, 000)
- ▶ New interactive website
- ▶ Member Portal



## **New Developments**

**SASRA REGULATIONS:** The Sacco Societies  
Regulatory Authority ( SASRA)

- A statutory State corporation established under the Societies Act (Cap 409B) of the laws of Kenya
- Originally regulated DT Saccos
- Now covers NWDT Saccos with members deposit of Ksh. 100M and above effective 2021.





## **New Developments**

**SASRA REGULATIONS:** Its mandate is;

- License SACCOs to operate
- Supervise and regulate.

The Regulations include:

- Core capital Ratios; Members to increase their shares
- Provision of loss for all categories of loans; This may reduce the disposable surplus.





## New Developments

### **SASRA REGULATIONS:**

- Restriction of borrowing; queuing of loans may occur hence; members to increase their EKEZA.
- Regular checks on the actions of the BOARD and Management hence safeguarding members deposits.
- Creation of nomination/ vetting committees
- Approving of final accounts

# SASRA Ratios

Key Ratios		As per SASRA	BALOZI	
Capital Adequacy Ratio			2022	2021
Core capital/Total assets	8%		3.0 %	3.4%
Core capital/Total Deposits	5%		4.4%	4.8%
Retained earnings & disclosed reserves to Core capital	50%		53.7%	55.8%



# SAVINGS PRODUCT

## Share Capital

- ▶ Members ownership in Balozi.
- ▶ Current minimum share capital – Ksh. 40,000
- ▶ Not withdrawable but transferrable upon withdrawal.
- ▶ Members earn dividends (2022 – 20%)



# SAVINGS PRODUCT

## Deposits

- ▶ Members save for their future financial security & wealth
- ▶ Multiplier for loans applied
- ▶ Security for loan
- ▶ Refunded on withdrawal (if more than loan)
- ▶ Members earn interest annually (2022, 10.1%)
- ▶ Minimum Ksh. 4,000 per month



# SAVINGS PRODUCT

## **Benevolent Fund**

- ▶ Assist in case of death of member of nuclear family.
- ▶ Claims:
  - a) For member..... Ksh.100,000.
  - b) For spouse/child.....Ksh. 80,000.
  - c) **Biological parents .....Ksh. 50,000.**



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# SAVINGS PRODUCT

## **Benevolent Fund**

### **Note:**

1. If both spouses are members, then claims are made independently.
2. Age limit of the covered children is 30 years





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# SAVINGS PRODUCT

## **Ekeza**

- ▶ Withdrawable any time.
- ▶ Earn high interest.
- ▶ Can be used as a security for loan
- ▶ Available for chamas and individuals



## Ekeza Interest Rates

PERIOD ( DAYS)	RETURN (PER ANNUM)
60	5%
90	8%
120	9%
180	10%
Over 180	11%

### Other attractive features:

1. Can withdraw part/full of their savings at any time
2. Minimum savings amount is Ksh. 12,000
3. Funds will be refunded within seven working days
4. Can be used as a security for loan(s)



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# LOAN PRODUCTS

## Long term

Loan Product	Interest Rate per month	Repayment Period (Years)
Boresha	1.29%	7
Normal	1%	5
Collateral loan	1.05%	7
Super	1.25%	6
Special loan	1.29%	10



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# LOAN PRODUCTS

## Short-term

Loan Product	Interest Rate per month	Repayment Period
Insta	1.17%	2 Years
Insta Plus	1.21%	3 Years
School Fees	1.0%	2 Years
Emergency	1.0%	1 Year
Quick Pesa	1.0%	1 Year
Okoa Advance	1.0%	1 Year
M-Cash	10%	4 months



## **Special loan**

- ▶ Allows amalgamation of existing loans
- ▶ Allows improvement of net salary
- ▶ Interest is 1.29% per month
- ▶ Repayment period is 10 years
- ▶ No amalgamation fee
- ▶ Nothing is taken home





## **M- cash**

- ▶ Maximum is ( $3 \times$  Average of last 3 monthly deposit contributions) or Ksh. 150,000 whichever is lower
- ▶ Top up is allowed within Ksh. 150,000
- ▶ Repayable within 4 months
- ▶ Recovered from deposits upon default and defaulter blacklisted for 6 months





## Okoa

- ▶ Maximum Ksh. 350,000
- ▶ Repayable in 12 months
- ▶ Interest 1 % per month

## Note:

Penalty of 10% and refund through cash,  
subsequent loan or interest/deposit apply to both  
Okoa and M-cash



## **Guarantorship**

- ▶ Members well known to you.
- ▶ Confirm the amount being applied for
- ▶ Specify the amount you are guaranteeing
- ▶ Know the loan repayment period
- ▶ Know other guarantors
- ▶ Guarantee a person who will be willing to guarantee you



## Loan Eligibility

- ▶ Based on deposit(multiplier of 4)
- ▶ Security for loan provided( Guarantors, Deposits, Collateral)
- ▶ A third basic salary rule
- ▶ Permanent allowances like house allowance, commuter allowances, meal allowances are not part of basic salary

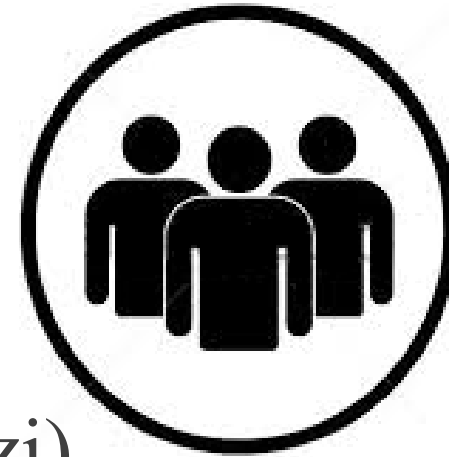


## Default Management

- ▶ Loan not serviced appropriately
- ▶ Loanees and guarantors notified of default loan
- ▶ Loan recovered from defaulter's deposits and extra amount from security offered
- ▶ Defaulters are blacklisted and referred to CRB
- ▶ Defaulters referred to debt collectors
- ▶ Outstanding loans due to death are paid by insurance less any defaulted instalment



## Wealth Creation



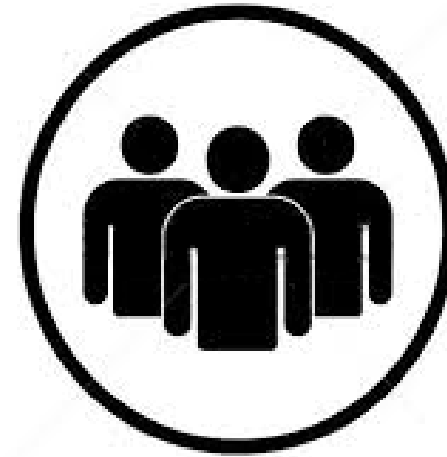
- ▶ Identify income generating project.
- ▶ Get into wealth creation vehicle (Balozi)
- ▶ Deny yourself comfort and luxury
- ▶ Increase your deposits and shares
- ▶ Inject extra income to the SACCO





## Wealth Creation

- ▶ Plough back dividend/interest earned
- ▶ Obtain development loan
- ▶ Direct the loan to the project
- ▶ Earn returns from the project and enjoy yourself







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## Case Study on Wealth Creation

	Member A	Member B
Appetite for wealth	High	Low
Opening savings	1,000,000.00	1,000,000.00
<b><u>Year 1</u></b>		
Loan granted (Period = 3 yrs)	3,000,000.00	3,000,000.00
Loan spent on	Plot	P
Monthly savings	50,000.00	4,000
Total savings Year 1	600,000.00	48,000.00
Total accumulated wealth Year 1	1,600,000.00	1,048,000.00
Div/int. earned (10%)	160,000.00	104,800.00
<b>Closing balance Year 1</b>	<b>1,760,000.00</b>	<b>1,152,800.00</b>



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	<u>Member A</u>	<u>Member B</u>
Appetite for wealth	High	Low
<b><u>Year 2</u></b>		
Opening balance	1,760,000.00	1,152,800.00
Monthly savings	50,000.00	4,000.00
Total savings Year 2	600,000.00	48,000.00
Total wealth Year 2	2,360,000.00	1,200,800.00
Div/int. earned (10%)	236,000.00	120,080.00
<b>Closing balance Year 2</b>	<b>2,596,000.00</b>	<b>1,320,880.00</b>



# Balozi Savings and Credit Co-operative Society Ltd

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	Member A	Member B
Appetite for wealth	High	Low
<b><u>Year 3</u></b>		
Opening balance	2,596,000.00	1,320,880.00
Monthly savings	50,000.00	4,000.00
Total savings Year 3	600,000.00	48,000.00
Total wealth Year 3	3,196,000.00	1,368,880.00
Div/int. earned (10%)	319,600.00	136,888.00
<b>Closing balance Year 3</b>	<b>3,515,600.00</b>	<b>1,505,768.00</b>



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	Member A	Member B
Appetite for wealth	High	Low

## Year 4 (Loan Repaid)

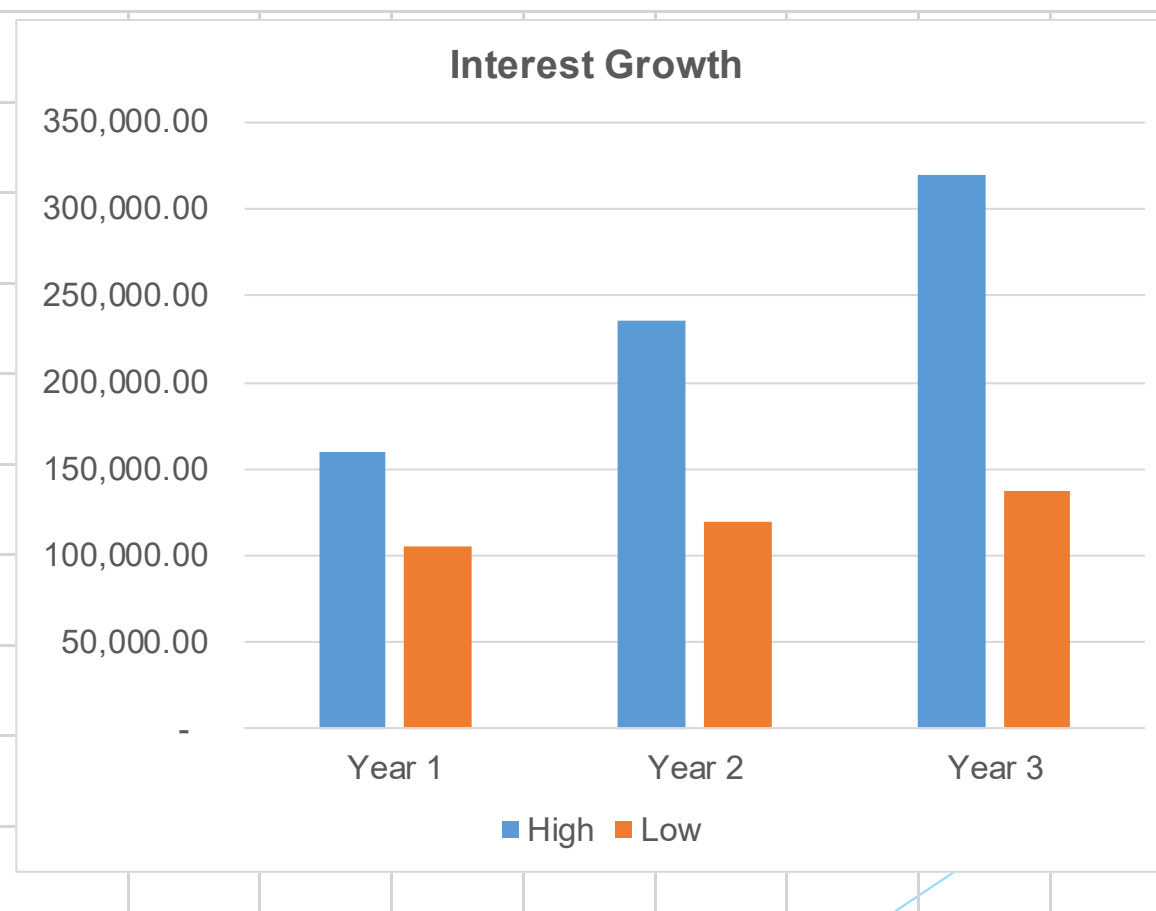
Opening savings balance	3,515,600.00	1,505,768.00
<b>Apply new loan (x3 of deposits)</b>	<b>10,546,800.00</b>	<b>4,517,304.00</b>

**Question: Who is better after 3 years?**



## Appetite of Dividend/interest earned

Period	High	Low
Year 1	160,000.00	104,800.00
Year 2	236,000.00	120,000.00
Year 3	319,600.00	136,880.00

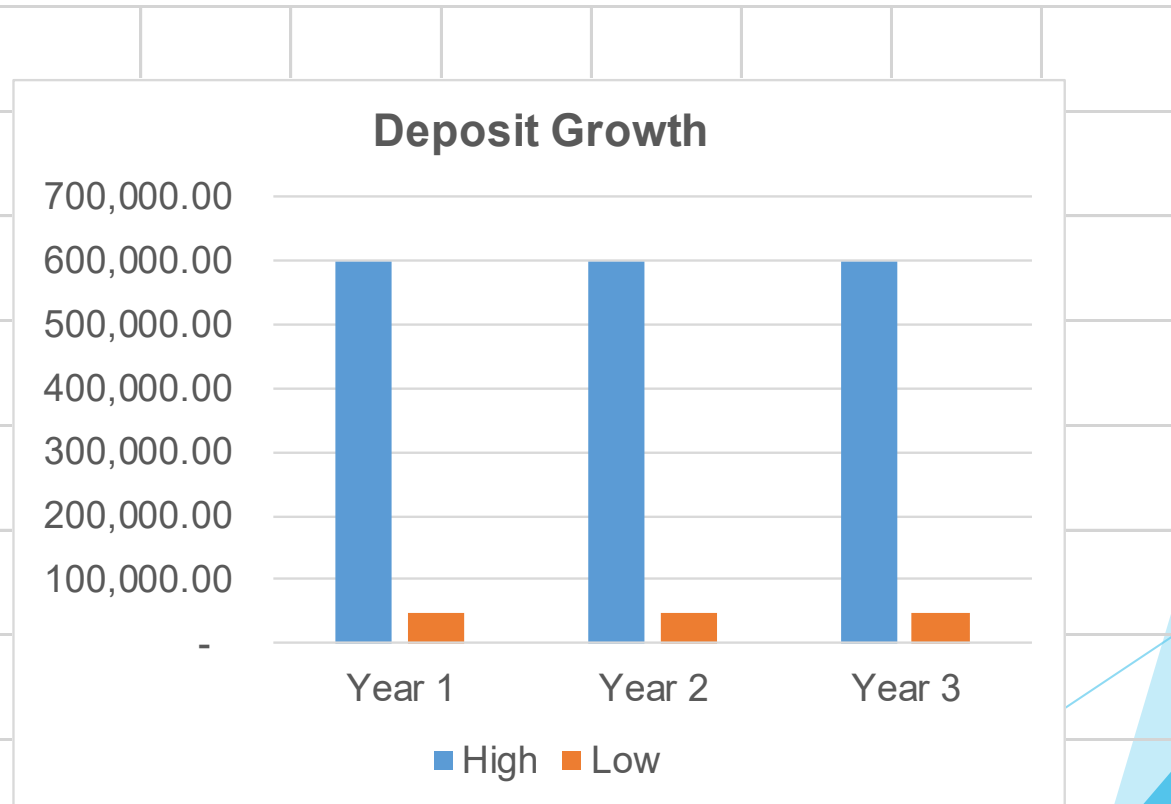






## Appetite of Dividend/Interest earned

Period	High	Low
Year 1	600,000.00	48,000.00
Year 2	600,000.00	48,000.00
Year 3	600,000.00	48,000.00





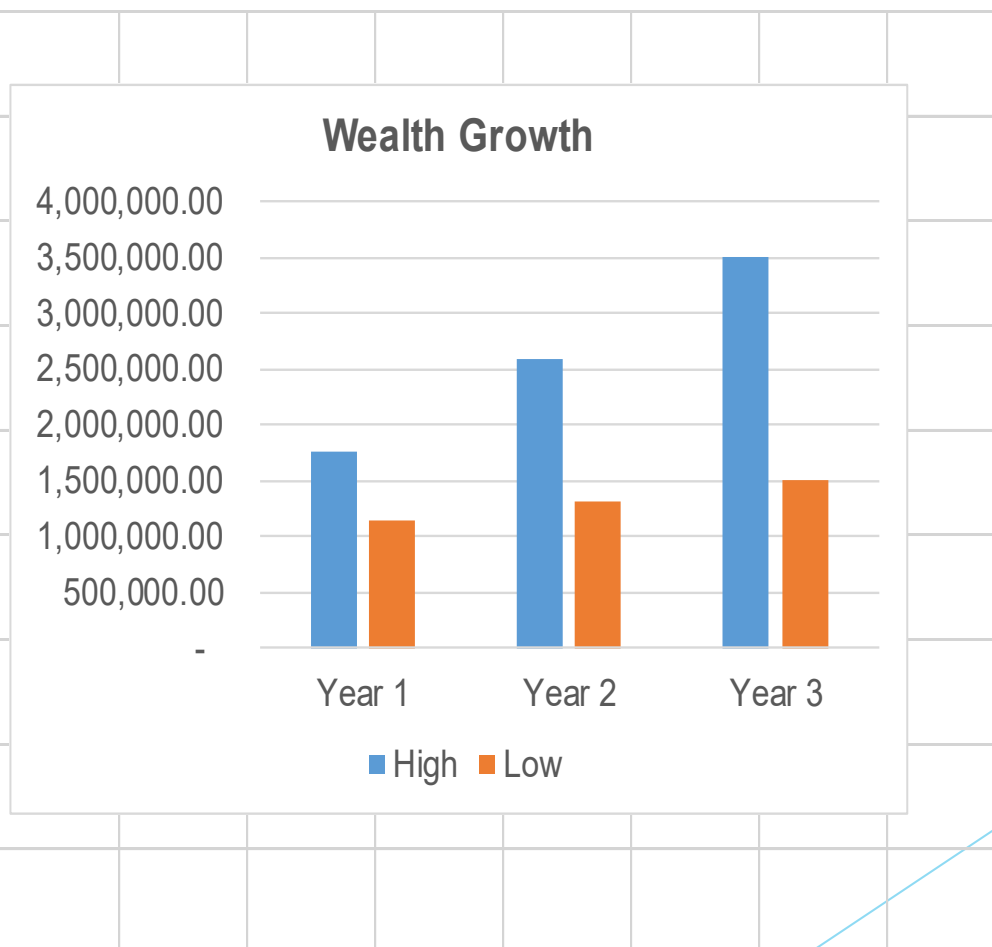


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## Appetite of Dividend/Interest earned

Period	High	Low
Year 1	1,760,000.00	1,152,800.00
Year 2	2,596,000.00	1,320,880.00
Year 3	3,515,600.00	1,505,766.00





## **Capacity Building**

- ▶ Increase your share capital
- ▶ Increase your minimum monthly deposits
- ▶ Plough back your dividends/ Interest
- ▶ Invest in Ekeza

Note: The above actions empower the member for future



## **Eligibility Of Members Of Board Of Directors**

- ▶ Attainment of a degree level of education
- ▶ Member of Balozi Sacco for the last 2 years
- ▶ Has not been convicted of any offence involving dishonesty or imprisoned for three months
- ▶ No arrears on deposits, benevolent fund and loans within the last two years prior to election
- ▶ Has not been removed from public office on disciplinary action.



## **Eligibility Of Members Of Board Of Directors**

- ▶ Has consistently saved cumulative deposit of not less than Ksh. 500,000 prior election
- ▶ Has not been referred to CRB for the last 2 years
- ▶ Satisfies the requirements of Chapter six of the Constitution of Kenya 2010 on leadership and integrity
- ▶ Works with the Nairobi Metropolitan area
- ▶ Is able to file an indemnity and declares wealth within 14 and 30 days respectively after being elected



## **Supervisory Committee**

- ▶ The minimum qualification shall be a qualified and registered accountant/auditor
  - Basic degree, CPA-K
  - Member in good standing





## Data Protection

### ► Right to Privacy-

Personal data **MUST** be processed in accordance with right to privacy of the data subjects.

**2.Lawfulness,fairness&transparency**–Personal data need to be processed fairly, lawfully and in away that is completely transparent.

**"Sensitive Personal Data"** means data revealing the natural person's race, health status, ethnic social origin, conscience, belief, genetic data, biometric data, property details, marital status, family details including names of the person's children, parents, spouse or spouses, sex or the sexual orientation of the data subject.





## Data Protection

- ▶ Personal data shall only be processed (a) based on the data subject consents to the processing for one or more specified purposes; or if the processing is necessary for the performance of a contract to which the data subject is a party or to take steps at the request of the data subject before entering into a contract.



## Data Protection

- ▶ Consent can only be an appropriate lawful basis if a data subject is offered control and is offered a genuine choice about accepting or declining the terms offered or declining them without detriment
- ▶ In this regard the SACCO has made changes to the membership and loan forms to adhere to the Data protection act as below:
- ▶ Membership form page 1, no.s 3,4,5,7 and 8
- ▶ Loan form page 1 no.7 and page 3 (D)



## How To Access Member Statements

- ▶ Through our website [www.balozisacco.com](http://www.balozisacco.com). Click on Members Portal and select Request password. The system will send you a password via SMS/email and thereafter a verification code – this will act as your old password when prompted to change.
- ▶ Download and install X-mobi Customer app from Google play store. Tap Settings and select Balozi Sacco then click Request Password/Register device. The system will auto-register and send you a password via SMS and email. For further details kindly check <https://balozisacco.com/index.php/downloads/news>
- ▶ Dial \*882# to view your account balances and/or apply for M-Cash Loan. (Only on Safaricom line )



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**Questions ????**

