

Balozi Bulletin



Issue No. 5 | June 2021

SASRA: Compliant at last!

The government of Kenya enacted a law in the year 2020 to govern all non-withdrawable deposit taking SACCOS (Non-WDTS) with at least Ksh. 100 million deposit, Balozi SACCO being one of them. This law became effective on 1st January 2021 and all the affected SACCOS were to comply by 30th June 2021. Balozi SACCO complied with all the requirements and was among the first 25 SACCOS in Kenya to be issued with a license by SASRA, in a function presided over by the cabinet secretary in charge of Co-operatives, Hon. Peter Munya.

The SACCO shall continue adhering to all the requirements of the law which include maintaining specific ratios, vetting the board members and providing for losses on all loans amongst others. ●



Balozi SACCO Chairman, Mr. George Mimba (middle) being presented with the SASRA license at Safari Park hotel by CS Peter Munya (left) and SASRA Chairman, John Munuve (right).

Strategic management plan

After the SACCO was authorised by SASRA to operate a specified business (non-withdrawable deposit taking activities), it became necessary for the SACCO to align its current strategic management plan to the regulator requirements. The workshop was organised and attended by all board members, supervisory committee and staff to review and align the document to the new business environment under the guidance of consultants.

During the workshop the SACCO also managed to develop its business plan, as required by the regulator, that will take it through 2021-2024. ●



Balozi SACCO team during the review of strategic management plan at Panafric hotel

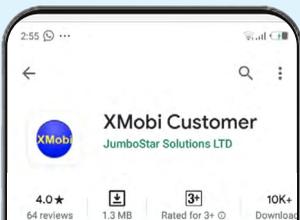
Quick guide

Submission of loan application forms

Members are encouraged to send their applications via email with all the attachments counter signed. ●

Reset of passwords/ pin on alternative channels

Did you know that you can reset your password at your comfort? For Members Portal and Xmobi Customer app, tap Request Password to receive a new one via sms/ email. For USSD *882#, kindly send an email to Balozi or contact the office for assistance. ●



Ekeza Savings

Both registered and non registered chamas/self-help groups can now save in the product through an existing member. The savings earns upto 11% p.a. Members are encouraged to patronize the product. ●

Update of SACCO records

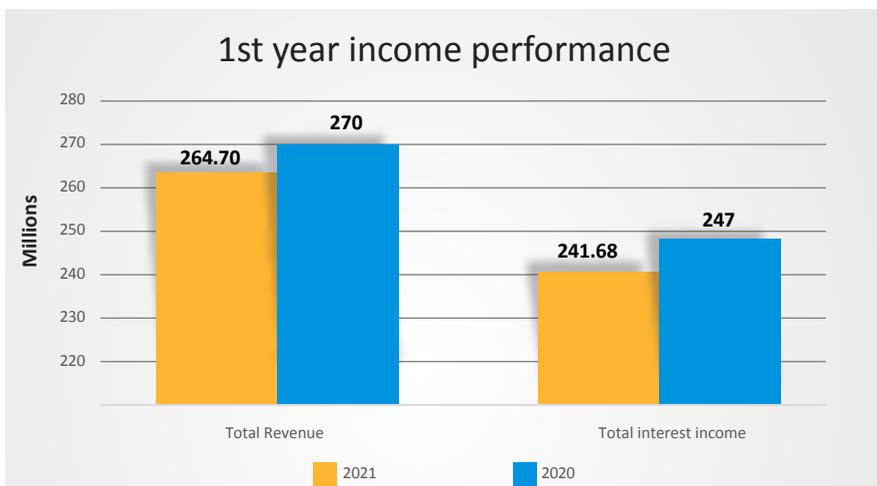
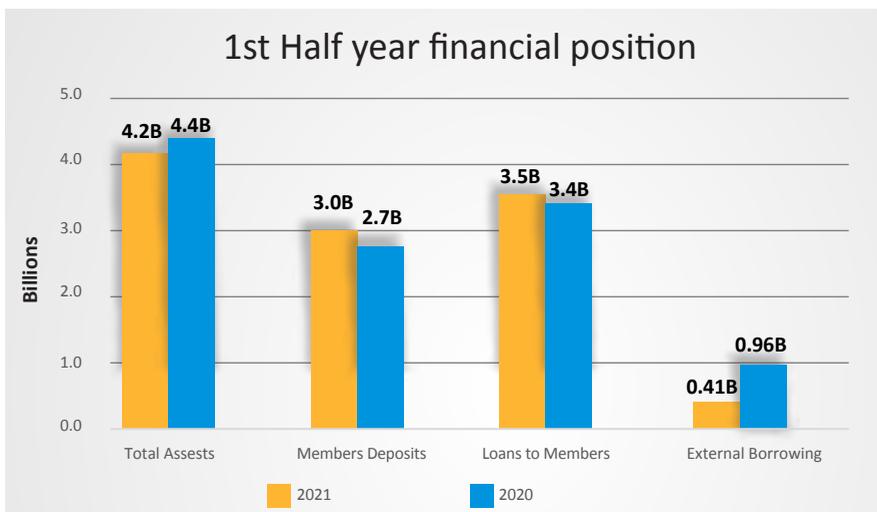
Members are advised to continuously review their SACCO records and report any change(s) such as phone number, email address, physical address, beneficiaries, next of kin, SACCO contributions (savings and loans) etc. ●

Semi-annual financial performance

Although the demand for loans in the first quarter of the year 2021 was lower compared to the same period in the previous year (2020), the pattern of demand in the second quarter of the current year changed. The SACCO was therefore able to report some positive results as summarised below:

- Growth in loan portfolio.
- Substantial reduction in bank loan.
- Growth in deposit and share capital.

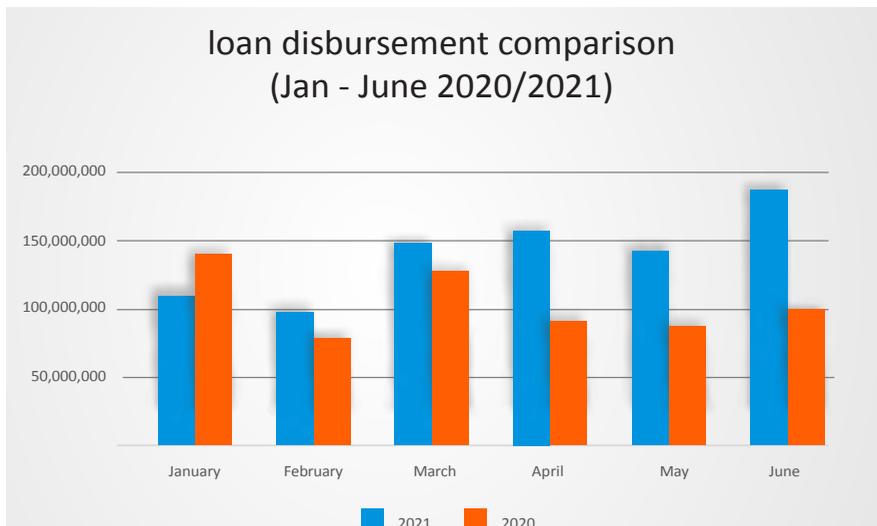
The SACCO sincerely appreciates members who contributed their deposits and share capital beyond the minimum requirement. We urge members to ensure their minimum share capital is Ksh. 25,000 by 30th November 2021 to comply with the last AGM resolution. The SACCO encourages members to gradually contribute towards their share capital to meet the deadline.



The earnings for the first half of the year (2021) was slightly lower than the same period for the year 2020. This was as a spiral effect of both low loan uptake in 2020 and first quarter of year 2021. Despite these challenges, the SACCO is still determined to report positive growth in income with members' support. The SACCO is therefore appealing to all members to consider prioritizing SACCO loans over other sources of loans because SACCO loans are more friendly. ●

Loan uptake in 2021

The loan uptake in the year 2020 and 2021 are still low despite several reforms made within the same periods. The reasons for low uptake is a concern to the SACCO. As such, the SACCO has organized for members satisfaction survey to identify the cause and improve the loan uptake amongst others. The SACCO humbly requests you to participate and give your honest feedback during the study. ●



The above graph shows the loan uptake within the year 2021

Share Capital VS Deposits

During the education forums held within the year, the SACCO realized that some members still confuse deposits and share capital. The table below explains the difference between the two;

DEPOSITS	SHARE CAPITAL
1. It is considered when granting loans	1. It is not considered when granting loans
2. It is used for guaranteeing loans	2. It is not used for guaranteeing loans
3. It is refundable on withdrawal of membership	3. It is non-refundable but transferable to existing member(s) on exit of membership
4. It earns interest	4. It earns dividend
5. It is paid per month or per pay period	5. Its payment is not restricted to per month or to pay period

Loan reforms



The SACCO continued researching on better ways of improving its loan products to meet members' expectations. The following reforms were made during the period:

Karibu Loan

The product is for new members who have saved in the SACCO for atleast two months. The maximum limit is Ksh. 50,000, repayable within 10 months at a flat interest rate of 10%.

Car Loan

The product allows members to own cars. The maximum loan limit is Ksh. 2 million and is repayable within 3 years at an interest rate of 1.29% on reducing balance. The security for this loan is the car which must be at most 8 years old.

M-CASH

This loan is accessible through mobile platforms. Simply dial *882# or login to xmobi app and follow the prompts. Defaulters shall be blacklisted for six months after the auto-recovery of the defaulted amount. ●

Members feedback

During the education forums held in 2021, members proposed some issues to the board for consideration. The board deliberated on the proposals and resolved as follows;

1. **Allow members' siblings to join the SACCO.**
The proposal was deferred until further notice.
2. **Ex-members should not pay penalty when rejoining the SACCO.**
The request for exemptions will be considered on case by case and feedback given.
3. **Loan interest rates to be lowered.**
The current interest rates are competitive but may be reviewed from time to time.
4. **Increase Boresha loan repayment period to 10 years.**
The proposal was deferred until further notice.
5. **Allow members with Boresha Plus loan of 10 years to bridge the same product since they cannot qualify for other loans.**
This product had been discontinued thus cannot be bridged.
6. **Introduce a long-term loan/Mortgage facility of 10 to 15 years repayment period.**
The board is still researching on the same and will provide feedback on a later date.
7. **Charge the bridging interest according to the amount being bridged.**
The bridging interest should remain the same regardless of the amount.
8. **Increase loan multiplier to 5 times deposits.**
The proposal was deferred but members are encouraged to save more in order to access more loans.
9. **Purchase plots in western region.**
Members encouraged to identify the plots and furnish the SACCO with the details for further action.
10. **Send SACCO branded items to stations outside Nairobi**
The proposal was welcomed and may be considered in future.
11. **SACCO to recover defaulted loans from defaulter's collateral before attaching the guarantor's.**
The SACCO first recovers the loan from members deposit before attaching the security offered for loan to recover the extra amount.
12. **Balozi to pitch a tent in KEMRI to market the SACCO.**
The SACCO will pursue the proposal.
13. **The SACCO should extend voting time during the AGM.**
The current time allocated for voting is sufficient. ●

Exercising Corporate Social Responsibility (CSR)



As a way of appreciating the society where the SACCO operates, the SACCO exercised its CSR by donating computers and telephone handsets to **Computer for Schools Kenya**. The SACCO is optimistic that the equipment will benefit the society at large through the students. ●

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