

FIRST QUARTER REPORT – JAN TO MARCH 2018

SHIRIKA SAVINGS & CREDIT SOCIETY LIMITED

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Overview of the First Quarter Performance Report

30th APRIL 2018

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Special points of interest:

• Membership at 5,703

• Deposit at KSh. 1,736,571,927

• Loans at KSh. 1,966,842,007

1.0 Introduction

This report highlights the Society's performance during the 1st three (3) months of 2018. It is intended to inform the members on how the Society business has performed during the period and invites members' suggestions and comments on how to improve performance.

1.1 Membership

At the beginning of January 2018, the number of active members stood at 5,553. By March 2018, the Society had admitted 192 new members, while 34 had withdrawn (out of which 13 withdrew after retirement from the service) and 8 had been lost through demise resulting in a net gain of 150 members. This brings the number of active members as at 31st March 2018 to 5,703.

1.2 Deposits

The figures below shows the movement of deposits up to 31st March 2018.

Balance	as at	1 st Jan	2018

= 1,683,637,863.00

Amount received up to 31st March 2018

= 70,834,972.00

Total = 1,754,472,835.00

Less

Refunds = 17,900,907.00

Balance = 1,736,571,927.00

1.2.1 The net increase in deposits during the first three months is KSh. 52,934,064

1.2.1 Share Capital

As at 31st March 2018 Share Capital had a balance of ksh 154,504,202.00 compared to ksh 152,849,722 as at 1st January 2018. The Share Capital had a net increase of ksh 1,654,480.00 within the same period.

1.3.0 Loans

The movement of loans up to 31st March 2018 is shown below:

Balance as at 1st Jan 2018

= 1,796,145,786.00

Add

Amount granted up to 31st March 2018

= 429,518,165.00

Total

= 2,225,663,951.00

Less

Loans repaid

= 258,821,944.00

Balance

= 1,966,842,007.00

1.3.1 The total loan portfolio increased by KSh 170,696,221 in the period up to 31st March 2018.

1.3.2 The highest loan granted in the period was KSh 6,300,000.00

1.3.3 There is no loan backlog.

We wish to remind our members that when processing loans, we strictly require that loans must have at least three guarantors, payslip, a copy of identity card and any change of bank account should be done in writing. The signature should be consistent.

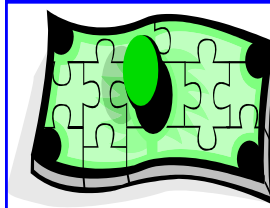
1.4 Economic Report

Below is the summarised financial performance of the Society for the period under review:

Item	Budget up to 31 /03/2018	Actual	Variance
Income	74,341,796	75,648,471	0%
Less Expenditure			
Financial exp	57,738,433	57,964,867	0%
Personnel exp	12,094,314	8,066,359	33%
Administrative	3,396,965	2,189,789	36%
Governance exp	6,571,012	2,540,018	61%
Depreciation	625,000	572,986	8%
Marketing exp	1,526,775	485,440	8%
Total Exp	73,200,124	71,246,472	
Surplus/Deficit	1,141,673	4,401,999	

NOTE: In order to comply with the regulator's requirements, the Financial expense includes increase in provision for loans losses of ksh 10,000,000. As at 31st March 2018 and provisions for

.....continued



Enjoy the benefits of a Bankers' Cheque offered by the Society



Increase the economies of scale by recruiting more members into the Society. A member recruits at least one, each delegate two and each committee member five new members a year.



Participate in the Society growth by increasing your savings

interest on Deposit of ksh 43,414,298.00.

1.5 Burial Benevolent Fund

The figures below shows the movement of the BBF account during the period 1st January to 31st March 2018:

Balance as at 1st Jan 2018
= 28,651,070.00

Add
Contributions received by 31st March
= 2,036,800.00

Total
= 30,687,870.00

Less payments
= 2,341,376.00

Balance as at 31st March 2018
= 28,346,494.00

1.6 Loan Guard Policy Requirements

As a reminder, we reproduce the BBF Claim processing requirements here below:

- Duly completed Loan Guard Claim Form (filled by Society)
- Original death certificate or doctor's report on permanent disability.
- Copy of Identity Card
- MPA statements for the loan period
- Latest payslip
- Original application forms for all loans outstanding.
- Letter from employer confirming the death of a member.

The Board would like to take this opportunity to remind members of the importance of updating their nominees to forestall any embarrassment while releasing the member's dues to the nominee in the event of death of the member.

1.7 Spouse & children cards

As a reminder, We kindly request those of our members who have not submitted their spouse /children cards to submit so as to avoid delay and embarrassment at the time of need.

With effect from 1st March 2018 the funeral benefits for spouses have been increased from ksh 80,000 to ksh 100,000, for the principal member from ksh 150,000 to ksh 180,000 and

for children from ksh 50,000 to ksh 80,000 per child.

The following are claim processing requirements:

1. Spouse

- Copy of burial permit
- Copy of principal member's ID
- Copy of spouse's ID
- Marriage certificate or proof of marriage

2. Children

- Copy of burial permit
- Copy of principal member's ID.
- A birth certificate or identity card.

1.8 BOSA Products

The following back office products have been rebranded as follows:

- Smart Loan:** All loans must be within 3 times a member's deposits repayable within 72 months. Interest is at 1% pm on declining balance.
- Okoa Mshirika / Top-ups:** This is a facility where members of the Withdrawable Savings Scheme who have repaid their normal loans up to half of the principal borrow funds for the purpose of clearing loans in order to qualify for another loan including buying off the bank loans.
- Super savers loans:** All loans must be within 3 times a member's deposits repayable within 84 months. Interest at 1% pm on declining balance. Member should have Deposits of more than ksh 1,000,000.

1.9 FOSA

FOSA is now operational and we wish to inform our members that official hours for transacting business in the Fosa is from 8.30 am to 4.30 pm every day from Monday to Friday and also on the First Saturday of every Month from 8.30 a.m to 1.00 p.m The following products have been developed:

- Salary processing:** at a fee of ksh 100
- Salary Advance:** Maximum of 60 % of salary channeled through FOSA, a member must be left with at least ksh 2500 in the account after all deductions. Interest rate is 5% per month.
- Instant loans:** A minimum of Ksh.2,500 must be left in the account after deductions. 3 months repayment period at 5% interest per month on re-

- ducing balance.
5. **Biashara Start up:** For senior citizens and given at 50 % of total deposit of a retired member and a grace period of 2 months is given.
 6. **Savings Account:** Minimum balance is Ksh.500, minimum interest earning balance is Ksh.4,000 and is calculated quarterly.
 7. **Fixed Deposits Accounts:** Minimum is Ksh.5,000, interest determined from time to time depending on market rate.
 8. **Shirika Junior Account:** Withdrawable once per quarter, attractive gifts offered annually. Interest earning balance is Ksh.4,000.
 9. **Masomo Savings:** Minimum savings Ksh.1,500 per month, withdrawable 3 times in a year, minimum interest earning balance Ksh.4,000. 3 free bankers cheque.
 10. **Safari Account:** Minimum savings Ksh.1,000, withdrawable once per year, attractive tours and travel packages will be offered. Ksh.4,000 and above will attract interest.
 11. **Asset Financing;** Repayment period is 5 years with an interest rate of 1.5% per month on reducing balance. The asset is owned by the member and the Sacco jointly through an agreement. The Sacco finances 80% of the value and member deposits 20% with the Sacco. Maximum ksh 3,000,000. The member to meet processing expenses.
 12. **Asset Based Loans;** Repayment period 5 years with an interest of 1.5% per month on reducing balance. Maximum ksh 2,000,000. Collateral; Vehicles 60% of the value, Land- 80% of the value. Vehicles should be less than 10 years old. The member to meet processing fees.
 13. **Mobile Banking—**We have a USSD Code 850 and to activate, members are requested to dial *850#
 14. **FOSA Personal Loans -**Repayment period 5 years with an interest of 1.5% per month on reducing balance. Maximum loans depends with the net salary. A minimum of Ksh.2,500 must be left in the account after deductions.

1.10 Personal account

Through this account members are

being issued with the Sacco link (ATM) cards. So far about 4,000 members have applied for the cards and we are requesting all members who have not yet applied for the ATM to do so immediately. The balance of on these account as at 31st March 2018 was KSh. 121,796,624.00 as compared to KSh. 82,721,596.00 as at 1st January 2018.

1.11 Withdrawable Saving Scheme (WSS)

At the end of the first Quarter the number of accounts was 3382. The balance of savings as at 31st March 2018 was KSh. 24,898,269.00 as compared to KSh. 23,071,780.00 as at 1st January 2018. We believe that the scheme serves a useful purpose to members. We wish to encourage all of you to join in order to boost the Society's capital .

1.12 New Loans Products-Senior Citizen Loans.

In the first quarter the society developed a new product for the senior citizens with the following features:

1. Strictly will be for retired members.
2. The member must be processing the pension through the FOSA or place an irrevocable standing order with the Bank.
3. Provide security/collateral: title deed should be for commercial property or fully guaranteed by members in check off.
4. Deposits multiplier three times their deposits.
5. All other loan conditions apply e.g. interest rates 1% p.m., repayment period 48 months, top-up rule apply.

1.13 Website

The society developed a website and members may connect through: www.shirikasacco.co.ke The designated Sacco Email address is: info@shirikasacco.co.ke and shirikasaccosociety@gmail.com .

1.14 Payment of Dividends and interest on Deposits.

The 2017 dividends on share capital and interest on deposits was paid



Join the Withdrawable Savings Scheme and enjoy the benefits



"The journey of a thousand miles begins with a single step".



Enjoy the Electronic Funds Transfer by providing your Bank Account number

***SAVE REGULARY, BORROW
WISELY AND REPAY
PROMPTLY***

through the FOSA accounts on 31st January 2018 and members can access using the mobile banking , ATMS or in our FOSA over the counter.

1.15 Conclusion

In conclusion, I would like to thank the members most sincerely for remaining loyal to the Society and patronising its services and I encourage all of you to join the FOSA and patronise its services. I wish to assure them that the Board will continue striving to give the best services possible.

I also call upon the members to keenly read these reports that we send out to them in order to keep abreast of all affairs of the Society. Any idea that would be useful to make the Society better is readily welcome and will be highly appreciated.

**Prof. E. N. GICHERU (MRS), OGW,
HSC
NATIONAL CHAIRPERSON**



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