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THE LEADING SACCO MAGAZINE IN AFRICA

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KENYA NATIONAL POLICE DT SACCO BUILDS MODERN GYM AT KIGANJO TRAINING COLLEGE

Kshs. 200 Kenya | Ushs. 5,600 Uganda | Tshs. 3,600 Tanzania

KENYA NATIONAL POLICE DT SACCO

EMPOWERING YOUR FINANCIAL GROWTH

OUR MEMBERSHIP IS OPEN TO THE PUBLIC

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- High annual dividends and interest on deposits
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- Sharia compliant products and services
- Affordable property with Kenya Police Investment Co-operative

FOSA ACCOUNTS

- Salary Account
- Junior Account
- Holiday Account
- Business Account
- Group/Corporate Account
- Fixed Deposit/Call Account

FOSA LOANS

- Q-Cash (2 Months)
- M-Sasa (3 Months)
- FOSA Flex (6 Months)
- FOSA Golden (9 Months)
- FOSA Ultra (12 Months)
- Dividend Advance

BUSINESS LOANS

10X LOAN MULTIPLIER ON YOUR BUSINESS ACCOUNT DEPOSITS

- Wezesha Business Loan (36 Months)
- Commercial Houses Loans/Land Purchase (60 months)
- Transport Business/Commercial Vehicles (48 months)
- Purchase of Land (Group Loans) (48 months)
- Agriculture Loans (12 Months)

BOSA LOANS

5X LOAN MULTIPLIER ON YOUR BOSA DEPOSITS

- Jumbo Loan (108 Months)
- Premier Loan (96 Months)
- Mega Loan (84 Months)
- Super Loan (72 Months)
- Refinancing Loan (60 Months)
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- Asset Financing Loan (24 Months)
- Emergency Loan (24 Months)
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- Bima Loan (12 Months)
- Home Loan (25 years)

4X LOAN MULTIPLIER

- Muslim Loan (60 Months)
- Muslim Emergency Loan (24Months)

Kenya National Police DT SACCO
United for Prosperity

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Storytelling: Why SACCOs Must Break the Silence and Own Their Narrative

Across Kenya, **SACCOs** are the quiet giants of financial inclusion and community empowerment. Through affordable credit and sound financial management, SACCOs allow members to purchase land, educate children, and build permanent homes, transforming lives in profound, everyday ways. Yet, many of these real, ground-level victories remain untold.

When SACCOs remain silent on their achievements, a dangerous vacuum opens. This silence is often filled by critics allowing an unfair and limiting narrative to take root. This is why **proactive storytelling** remains an **essential survival strategy**.

Storytelling is the key to reclaiming the SACCO identity and shaping its future narrative. When a SACCO actively shares the testimony of a changed life—the smallholder farmer who doubled her dairy herd, the artisan who bought modern equipment, or the parent who celebrated a university graduation—they achieve something statistics cannot. They show the public what **responsible, community-based financial management** looks like in action. These are human proof points that resonate far deeper than a balance sheet, transforming complex financial concepts into relatable, inspiring milestones.

Beyond simply highlighting impact, consistent storytelling is the most effective way to strengthen public trust.

In a crowded financial landscape, the institutions with the most compelling narratives gain a significant strategic advantage. Authentic storytelling acts as a powerful form of **brand building**, strengthening existing member loyalty and attracting new, aspirational members who want to be part of a demonstrable success story.

Ultimately, SACCOs must tell their stories because no one can tell them better, or with the same authenticity. The time for quiet, humble work is over. If the sector does not define its narrative today, others will define it tomorrow—and the resulting portrait is unlikely to be fair.

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Letters sent to the editor may be edited for space, clarity & consistency of style.

Word from the MANAGING DIRECTOR'S DESK

Dear Readers,

It is my pleasure to welcome you to the 69th Edition of SACCO Star Magazine. This issue comes at a defining moment for the SACCO movement—a time when collaboration, advocacy, and unity of purpose are shaping the future of KUSCCO and the wider cooperative sector. KUSCCO is taking its advocacy mandate to the next level, championing reforms with renewed energy, professionalism, and authority to ensure the SACCO movement remains protected, competitive, and future-ready.

This year, KUSCCO partnered with the Kenya Revenue Authority (KRA) to host the first-ever National Dialogue on SACCOs Taxation. This historic engagement marked a milestone in our collective journey. For the first time, SACCO leaders and KRA sat together not as adversaries in legal disputes, but as partners in dialogue, fairness, and nation-building.

With over 4,000 SACCOs serving more than 14 million Kenyans, mobilizing close to one trillion shillings in savings, and issuing billions in loans every year, the sector is a pillar of our economy. Yet, this strength is being tested by growing taxation challenges—ranging from the interpretation of Section 19A of the Income Tax Act, to the imposition of excise duty on SACCO loans, and the unclear distinctions between FOSA and BOSA operations. These ambiguities directly affect our members at the grassroots.

At the Dialogue, KUSCCO called for concrete reforms—including amendments to Section 19A to ensure that corporate and group members do not disqualify SACCOs from exemption. We also called for clear guidance to distinguish mutual transactions among members from ordinary commercial income, and for the establishment of a structured system where SACCO taxation disputes can be mediated and resolved more effectively. In addition, KUSCCO has firmly stated that all tax issues affecting SACCOs should be domiciled at the Union, enabling us to provide a coordinated voice, specialized expertise, and consistent advocacy on behalf of our members.

To strengthen this advocacy, KUSCCO is setting up a dedicated Tax Desk, building a stronger research base, and working closely with professional partners such as PwC to ensure our proposals are practical, evidence-driven, and aligned with global best practices.

Beyond taxation, KUSCCO has also rallied SACCOs to contribute to the ongoing revision to the SACCO Societies Act. By consolidating diverse perspectives from across the country, we are ensuring that the new legal framework reflects the realities of our sector while safeguarding the interests of members. This united approach guarantees that SACCO voices are not only heard but also shape the policies that will define the next phase of our growth.

These initiatives reflect a stronger, re-energized KUSCCO—a Union stepping up its role as the sector's foremost advocacy institution. For many years, our members have looked to us not only for services but also for leadership in protecting their interests. We are not losing this identity. Today, we are rebuilding trust, strengthening governance, and reinforcing internal controls. We acknowledge the challenges of the past, but we are firmly committed to restoring stability, credibility, and pride in our institution.

Our collaboration with the Nation Media Group on the SACCO Way television programme further demonstrates the power of partnerships. Airing weekly on NTV, the show brings to life stories of ordinary Kenyans whose lives have been transformed through SACCO membership. From farmers in Western Kenya to refugees in Kakuma, The SACCO Way is amplifying the visibility of our sector and reinforcing public trust in the cooperative model as a driver of economic empowerment.

As you go through this edition of SACCO Star Magazine, I encourage you to reflect on the progress our movement has made, and the broader message it conveys: when SACCOs come together with one voice, we not only secure the interests of our members, but also shape a stronger, fairer, and more inclusive financial future for our nation.

Arnold Munene

Group Managing Director, KUSCCO Limited

POLICE SACCO Invests in Officer Wellness WITH MODERN GYM AT KIGANJO Police Training College

Cabinet Secretary Ministry of Co-operatives and MSMEs Hon. FCPA Wycliffe Oparanya officially opens the Police SACCO Gymnasium.

By **Stephen Macharia**

Police officers in Kenya are set to benefit from a boost in physical and mental wellness, thanks to a new state-of-the-art gymnasium unveiled at the Kiganjo Police Training College — an initiative fully funded by the Kenya National Police Deposit Taking (KNPS) SACCO as part of its commitment to member welfare and Corporate Social Responsibility.

The ultra-modern facility, which replaces a 59-year-old gym, is designed to promote physical stamina and emotional stability for police recruits, key traits required in modern policing. With a capacity for 200 users and equipped with advanced cardiovascular, strength training, and functional fitness tools, the gym offers a dedicated space to manage stress, stay healthy, and build resilience in a profession often marked by high pressure and trauma.

"This is not just an investment in infrastructure," said Cooperatives and MSME Development Cabinet Secretary Wycliffe Oparanya, who officiated the opening. "The Kenya Police SACCO has shown what it truly means to support its members beyond financial services."

Oparanya described the gym as a bold step in safeguarding the long-term health of officers, applauding KNPS SACCO for recognising the connection between wellness and effective service delivery. He called on other cooperatives to emulate the SACCO's approach by integrating health and wellness support into their development strategies.

He added that police officers work under immense physical and mental pressure and deserve access to such facilities to stay fit and emotionally resilient.

The gym, situated within one of Kenya's largest police training institutions, is a strategic component of the SACCO's CSR agenda, underscoring KNPS SACCO's commitment to investing in the well-being of its members.

KNPS SACCO Chairman David Mategwa said the project is a deliberate intervention designed to give back to the college, which produces a large number of the SACCO's members.

"This gym is a long-term investment in our members' wellbeing," Mategwa said. "Our members train here before joining the force. We wanted to upgrade the

A section of the state-of-the-art fitness equipment at the Kiganjo gym.

facility to reflect the high standards they deserve."

Mategwa clarified that the funds for the project were fully budgeted and that the SACCO's operations remain unaffected. He also announced plans to develop similar facilities in other police training colleges across the country to ensure officers — regardless of rank — have access to wellness infrastructure.

According to Commandant Nyale Munga of the Kiganjo Police Training College, the previous facility had limited capacity and inadequate equipment — only four exercise bikes, two bench presses, dumbbells, and barbells — and could no longer meet the institution's evolving training demands.

"We have struggled to meet the growing fitness requirements of our trainees," said Munga. "This new facility marks a turning point for the college and significantly improves our training environment."

The leadership of the National Police Service has embraced the SACCO's initiative. In a speech read on his behalf by Acting Deputy Inspector General Patrick Tito, Inspector General of Police Douglas Kanja said the gym is part of the ongoing modernisation of the service and will help officers manage stress, build endurance, and improve performance.

"Our profession is demanding. Our officers must be physically and mentally fit to meet the expectations of modern policing," Kanja said. "By investing in their wellbeing, we are building a more efficient, professional, and people-centred police service."

KNPS SACCO has earned national recognition as Kenya's best-managed SACCO for three consecutive years. Its inclusivity — allowing membership from the lowest-ranking constable to the Inspector General — is seen as a leading model of financial inclusion within the cooperative movement.

CS Oparanya praised the SACCO's governance, noting that it has grown to rival and even surpass some commercial banks in Kenya in terms of asset base and financial stability.

"I met the World Bank and advised them to work through SACCOs like KNPS when disbursing funds meant for MSMEs," said Oparanya. Unlike banks, SACCOs are more accessible. They do not demand audited accounts or collateral, and they have grassroots trust."

He further urged lawmakers and cooperative leaders to support the ongoing reforms in the sector. "The Cooperatives Bill, now in the Senate, and the planned review of the SACCO Societies Act, will help address the governance and mismanagement issues that plague some SACCOs," he said.

As SACCOs across the country watch this milestone, KNPS SACCO is reinforcing its position not only as a leader in financial services but also as a champion of member welfare.

"This is just the beginning," Mategwa said. "A strong SACCO is built on strong members — and we will continue investing in their health, education, and prosperity."

The newly unveiled modern gym at the Kiganjo Police Training College.

POLICE DT SACCO Clinches Four Top **NATIONAL** Honours At **USHIRIKA DAY 2025**

Kenya National Police DT SACCO Director Elizabeth Nyaga and Marketing Manager Ann Njuguna lift high the Best Performing DT SACCO trophy and certificate presented by Prime Cabinet Secretary Hon. Musalia Mudavadi. Looking on is CS for Co-operatives and MSMEs Hon. FCPA Wycliffe Oparanya, CS for Gender, Culture, the Arts and Heritage Hon. Hanna Cheptumo, and PS State Department of Co-operatives Hon. Patrick Kilemi.

By **Gabriel Oniang'o**

The Kenya National Police DT SACCO cemented its status as a financial sector heavyweight after sweeping four national awards at the Ushirika Day 2025 celebrations held at the Kenyatta International Convention Centre (KICC) in Nairobi.

The SACCO emerged as the second-best performer nationally in four crucial categories, which are widely considered the gold standards for cooperative health and resilience: Best Performing Deposit-Taking (DT) SACCO, Best DT SACCO in Capitalization, Best DT SACCO in Credit Management, and Best DT SACCO in Deposit Management.

These multiple recognitions are a clear endorsement of the SACCO's financial governance, disciplined lending frameworks, and focus on maximising member value. The categories scrutinise the most critical indicators of a SACCO's stability and sustainability ranging from its financial muscle to its institutional resilience.

Significance of the Awards

Best Performing DT SACCO – Runner-Up

This award measures the holistic performance of a SACCO, covering operational efficiency, asset growth, profitability, and member satisfaction. Its second-place finish nationally places the Kenya National Police DT SACCO among Kenya's most robustly managed and financially sound SACCOs particularly within the employer-based segment.

Best DT SACCO in Capitalization – Runner-Up

Capitalization is the bedrock of a financial institution, representing the reserves and retained earnings that shield member deposits and power expansion. A strong capital base signals resilience against economic headwinds. This recognition shows the SACCO's prudent capital management and solid balance sheet. This award confirms its capacity for sustained growth.

Best DT SACCO in Credit Management – Runner-Up

Assessing how effectively a SACCO manages its loan book, including risk mitigation and repayment adherence, this category is key to financial stability. Ranking second nationally confirms the SACCO's excellence in safeguarding members' funds while offering accessible, well-structured credit facilities to its members.

Best DT SACCO in Deposit Management – Runner-Up

Deposits are the fuel for a SACCO's operations. Excelling here demonstrates powerful member confidence, effective mobilisation of savings, and good liquidity control. For the Police DT SACCO, this award reveals the deep trust members place in the institution and its proven ability to balance ambitious growth with unshakeable stability.

With its core membership drawn from the National Police Service and their families, the SACCO has evolved into a big financial entity synonymous with integrity and innovation. It has consistently rolled out tailored financial products that address diverse needs—from affordable credit to long-term investment solutions.

These four awards fortify an already impressive track record of performance over the last decade. Leadership at the event reiterated their pledge to harness these achievements by intensifying investments in digital transformation, robust risk management, and comprehensive financial literacy for all members.

The Ushirika Day Awards, a collaborative effort between the State Department for Cooperatives and the Co-operative Alliance of Kenya (CAK), celebrate the apex of excellence in Kenya's cooperative movement. This year's theme, "Driving Inclusive and Sustainable Solutions for a Better World," affirms the critical role cooperatives play in inclusive economic development.

The Kenya National Police DT SACCO team led by Director Elizabeth Nyaga (2nd R) with CAK CEO Mr Daniel Marube (Right) at the Ushirika Gala Dinner.

BORESHA SACCO Defies Economic Odds With Growth AND MEMBER REWARDS

Boresha SACCO Chairman Albert Chebiegon addressing members during a past event.

By **Stephen Macharia**

In a year dominated by economic anxiety and public distrust in financial institutions, one financial cooperative stands out for progress and resilience—**Boresha DT SACCO**.

At its 34th Annual Delegates Meeting held in March 2025 in Eldama Ravine, Boresha SACCO reported growth, stability, and strategic recalibration. From a 14.8% surge in assets to a payout of over **Kes 642 million** to members, the SACCO is rewriting what inclusive financial growth can look like in rural and peri-urban Kenya.

"Let us seize this opportunity to strengthen our bonds, share our diverse experiences, and collectively contribute to the continued success of our SACCO," said CEO Jacob Mengich, HSC, as he addressed the assembly of delegates.

Membership is the soul of any SACCO. And at Boresha, that soul is thriving. The SACCO added **10,080 new members** in 2024, growing its active membership from 82,171 to **92,251**. That is more than 10,000 Kenyans who chose Boresha as their financial partner, even as the economy wobbled under inflationary pressure and rising taxes.

Membership is now open not just to teachers, but to salaried workers across sectors, entrepreneurs, farmers, and even the Kenyan diaspora. This expansion signals a deliberate pivot from exclusivity to inclusivity—a move that has clearly paid off.

A KSh 13 Billion Institution in a Rural Town

Headquartered in Eldama Ravine, Boresha SACCO now boasts **total assets of Kes 13.026 billion**, up from KSh 11.348 billion in 2023. That 14.8% growth might seem modest at first glance—until you consider the economic backdrop: volatile markets, reduced household incomes, and rising cost of credit in the banking sector.

The majority of these assets—**77%**—are in loans to members. That means Boresha is not sitting on cash or speculative assets; it is investing directly in its members' lives—through school fees, home construction, agribusiness, and small enterprise financing.

The SACCO's revenue grew to **Kes 1.804 billion**, up from Kes 1.628 billion—an increase of **10.8%**.

Money Back to Members: Over KSh 642 Million

Boresha DT SACCO's principle is simple: when the SACCO grows, members must benefit. For the 2024 financial year, members will receive:

- **13% dividends on share capital** – KSh 80.6 million
- **10% interest on deposits** – KSh 536.9 million
- **9% bonus on equity shares** – KSh 24.7 million

Total payout: KSh 642.3 million.

Unlike many financial institutions that are quick to hoard profits, Boresha's strategy is grounded in reinvestment in its members. The Board has also encouraged members to capitalize their dividends, a move that strengthens the SACCO's equity base and reduces dependence on external borrowing.

Savings, Loans, and the Balancing Act

In 2024, **savings and deposits rose from KSh 7.84 billion to KSh 8.618 billion**—a 10% increase. Members are required to save a minimum of KSh 2,500 per month, or 10% of their salary. But in a climate where disposable incomes are shrinking, this growth is nothing short of impressive.

Net loans and advances also grew from **KSh 9.45 billion to KSh 10.01 billion**, supporting over 90,000 members to meet personal and business needs. However, loan defaults remain a concern. The **Portfolio at Risk (PAR)** improved slightly from 9.0% to 8.4%—still above the ideal 5% benchmark, but a signal of tightening credit management.

To mitigate this, the SACCO continues to enforce robust loan recovery strategies. Every shilling lost to default is a shilling not shared as dividends.

Caring for Members Beyond Banking

One of Boresha SACCO's strongest features is its **Members Welfare Fund (MWF)**. Established in 1999, the Fund offers consolation payouts in case of bereavement, disability support, and funeral advances.

In 2024, the SACCO carried forward a welfare fund balance of **KSh 206.7 million**. Proposed improvements include:

- Raising bereavement payout for principal members from **KSh 20,000 to KSh 30,000**
- Ensuring retired members can continue to benefit from MWF by transferring **KSh 12,000** from their deposits to welfare upon retirement

The SACCO's ambition goes beyond liquidity. It wants a permanent footprint. A slow but steady **equity drive** has so far raised **KSh 13 million** to construct **Boresha Plaza in Marigat**, a fast-growing town with huge economic potential.

To speed things up, the Board has proposed a one-off **KSh 500 retention from members' dividends**, targeting to raise **KSh 15 million** to begin Phase 1 of construction. Since SACCO regulations prohibit using member deposits for buildings, this capital injection will ensure the dream of owning property becomes a reality.

Boresha SACCO is also investing in **digital transformation**, revamping services, and complying with the **Data Protection Act, 2019** by updating member records and fortifying data governance. The SACCO also continues to offer tailored products and refine its pricing to better serve its evolving member base.

BORESHA SACCO Courts Top INVESTORS With High RETURNS AND BOLD VISION AT Annual Forum

Dr. Julius Kipng'etich, CEO of Jubilee Holdings Limited and chief guest at the Boresha SACCO Investors' Forum, addresses participants during the event.

By **Stephen Macharia**

Boresha DT SACCO used its 5th Annual Distinguished Investors Forum to send a strong signal to the market: it is ready to climb into the ranks of Kenya's top-tier savings and credit cooperatives by deepening investor loyalty, expanding its asset base, and diversifying its financial products.

The forum, held in August 2025 at Kabarak University, attracted more than 340 of the SACCO's top savers and investors. The day's agenda centered on reassurance, reflection, and renewed ambition. The management emphasizing prudent stewardship of investor funds and outlining bold plans for growth.

Boresha SACCO Chairman Albert Chebiegon opened the forum with a direct assurance to investors.

"Your savings are secure, and they will continue to yield strong returns," he said. "This gathering is not just about reviewing our numbers; it is about celebrating members who, through disciplined saving, inspire their families and communities to pursue financial independence."

Since its establishment in 1976, Boresha has steadily grown into one of the country's strongest cooperative lenders. Today, it boasts KES 14 billion in total assets, KES 10 billion in member deposits, and a membership of 95,000 individuals. In 2024 alone, the SACCO distributed KES 642 million in dividends and interest, evidence of a business model that rewards loyalty with competitive returns.

Currently ranked 19th among regulated SACCOs in Kenya, the institution has set its sights on breaking into the top 10 Tier One SACCOs, a move that would place it alongside the industry's largest players.

Chief Executive Officer Jacob Mengich stressed that Boresha's value proposition extends beyond financial metrics.

"Our success is not measured by balance sheets alone," he said. "It is reflected in how we empower farmers to increase their yields, how we support members to educate their children, and how we provide retirees with the confidence that their savings will sustain them."

Mengich reiterated the SACCO's commitment to transparency, innovation, and financial discipline, noting that ongoing investment in digital platforms is transforming service delivery.

"Today, our banking halls are less crowded because members transact seamlessly through digital channels. Our M-Boresha mobile platform, with more than 20 features, allows members to save, borrow, and monitor accounts from anywhere. Young members, in particular, are embracing it as their preferred financial tool," he said.

The SACCO has also launched tailored products for senior citizens, designed to retain retirees as active investors within the cooperative.

A highlight of the forum was the keynote address by Dr. Julius Kipngetich, CEO of Jubilee Holdings, who placed the conversation firmly in the context of personal financial choices.

He urged Kenyans to rethink their approach to wealth creation by avoiding what he termed "dead assets."

"We must stop buying depreciating assets like cars and idle plots of land," he said. "Saving is not deprivation—it is postponed consumption. When a SACCO offers you a 13 percent annual return on share capital, that is a stronger investment than tying up money in assets that don't grow your wealth."

Dr. Kipngetich applauded Boresha's consistent returns, describing them as a model of financial discipline within the cooperative sector. He challenged members to double their savings contributions, arguing that real wealth growth requires deliberate, long-term choices.

Dr. Kipngetich advised members to embrace strategic diversification, particularly in agriculture. He encouraged farmers to move away from low-yield traditional crops and adopt more profitable ventures, with the SACCO serving as a financing partner.

He also challenged Boresha's leadership to seize opportunities in diaspora remittances, which have overtaken tea, coffee, and tourism as Kenya's largest source of foreign exchange.

"The diaspora is sending billions home every year. Why not position Boresha SACCO as their trusted investment vehicle? With its dividend rates, Boresha can easily outcompete fixed deposits abroad," he said.

Marketing aggressively to the diaspora, he added, could significantly boost deposits and accelerate Boresha's rise into the top 10 cooperative institutions.

Boresha's leadership used the forum to highlight product innovation as a key pillar of future growth. Beyond digital platforms and retiree-focused products, the SACCO is piloting programs aimed at modernizing agriculture.

Through partnerships with government agencies and agribusiness corporations, Boresha is enabling farmers to access credit for seed, fertilizer, and equipment, while offering financial literacy training to maximize productivity.

"By empowering farmers to increase earnings, we ensure that their savings capacity also grows. This is how we tie economic empowerment directly to the cooperative model," Mengich explained.

The SACCO also reaffirmed its liquidity strength, noting that it can consistently meet loan demand and provide timely advisory services to members.

In closing, Mengich called on loyal investors to play an active role in recruitment, stressing that growth in numbers directly strengthens the cooperative's capital base.

"Our ambition to climb into the top tier of SACCOs is only possible with your support," he said. "Each new member you recruit not only strengthens Boresha but also extends the cooperative philosophy of shared prosperity."

He thanked members for their long-standing trust, pledging that the SACCO would continue to protect and grow their investments.

As Kenya's financial sector faces disruption from digital lenders and heightened competition from commercial banks, SACCOs remain vehicles for savings and credit, especially in rural and semi-urban areas.

For investors, Boresha's story reflects both stability and adaptability: a cooperative deeply rooted in community trust but unafraid to embrace bold ideas. Its record of steady growth, competitive returns, and product diversification provides a compelling case for those seeking long-term value in Kenya's financial landscape.

"Your loyalty is the foundation of our success," Mengich concluded. "Together, we will write the next chapter of Boresha's journey to the top."

Jacob Mengich, CEO of Boresha SACCO, speaks to participants during the Investors' Forum

TNT SACCO Surpasses Expectations with KES 40.6 MILLION Surplus, Digital Leap, AND MEMBERSHIP Boom in 2024

Delegates from TNT SACCO keenly follow the proceedings of their Annual Delegates Meeting (ADM).

By **Stephen Macharia**

Trans National Times DT Sacco (TNT) posted net surplus of KES 40.6 million in 2024, up from KES 28.5 million in 2023, marking a 42% jump in performance. The financial upturn, confirmed in the SACCO's Chairman's Report presented during the Annual Delegates Meeting, was backed by smart digitization, membership growth, and strong asset expansion.

"2024 was a year of resilience, growth, and transformation," said Chairman Mr. Evans Sichangi. "Despite a challenging financial landscape, we stayed focused on our core mission of empowering members."

Total assets grew by 7.37%, closing the year at KES 2.4 billion, up from KES 2.2 billion in 2023. Member deposits also surged by 6.4% to stand at KES 1.47 billion, a pointer to members trust and confidence in the SACCO's ability to safeguard their savings.

The loan portfolio stood at KES 1.08 billion as at 31 December 2024. Interest on loans and advances remained strong at KES 234.8 million, and while total interest income slightly dipped compared to the previous year, the SACCO's operating income climbed to KES 234 million, thanks to KES 151.6 million in other operating income, up from KES 118.5 million in 2023.

"Careful financial management and a member-centric strategy have delivered a healthy operating surplus of KES 45.8 million before tax," the Chairman added.

A major game-changer for the SACCO in 2024 was the successful rollout of the iTNT Member Portal. This is a digital innovation that is reshaping member experience by offering self-service tools and greater process efficiency.

"With iTNT, our members no longer need to travel or queue for services," explained Mr. Sichangi. "They can now register themselves online, apply for loans, view guarantor details, access statements, and track loan status at their comfort."

The portal was developed as part of a wider digital transformation agenda aimed at streamlining service delivery, reducing turnaround times, and enhancing transparency. It also incorporates an improved credit appraisal system that takes into account a member's full savings and loan history. This is expected to make credit decisions more accurate and member-friendly.

Partnering with Family Bank to integrate SWIFT payment services was another strategic move that allows members to send and receive payments globally. "This was more than an investment in technology. We are building our SACCO for the digital era," noted the Chairman.

Membership rises past 25,000

TNT SACCO's relevance was further underscored by a significant membership boom in 2024, welcoming new members, which included:

- 359 Yield Plus accounts totaling KES 266.7 million
- 295 Junior accounts worth KES 853,479
- 3532 Salary Earner accounts totaling KES 99.3 million

With this growth, total membership stood at 25,317, a new record in the SACCO's history.

To sustain the momentum, TNT SACCO introduced recruitment targets—10 new members annually for Board members and 5 for Delegates, tied to rewards and penalties. Those who meet the targets earn KES 5,000 bonuses, while those who fail risk losing eligibility for re-election.

Beyond finances, TNT SACCO made strides in capacity building, training members in personal finance, savings strategies, debt management, and investment planning. This effort, according to the Chairman, was key in creating "a financially literate membership that understands the value of the SACCO model."

On the Corporate Social Responsibility front, the SACCO donated sportswear to Kesogon Secondary School, the East & Central Africa Girls Volleyball champions.

While the SACCO's interest income from external investments declined—falling to KES 425,845 from KES 9.7 million in 2023—income from operations and disciplined cost control kept the institution on a strong financial footing.

Proposed dividends stand at KES 17.8 million, and the retained surplus for the year more than doubled to KES 14.7 million, up from KES 5.6 million the previous year—evidence of prudent financial planning and readiness for future investment.

"Let us build on this momentum," concluded Mr. Sichangi. "The future of TNT SACCO lies in embracing change, investing in technology, growing our membership, and deepening our support for each other. Together, we are redefining cooperative banking."

RAISING the Bar in FINANCIAL Prowess – IMARIKA SACCO Leads The Way

By **Irene Kirianki**

Imarika SACCO continues to solidify its position as a leading financial institution, empowering communities through financial growth, resilience, and unwavering commitment to its members. Through strategic initiatives, the SACCO has achieved remarkable milestones, reaffirming its dedication to transforming the lives of its members and the community at large.

One of the most notable achievements is the success of the recent Ekeza na Ushinde Share Drive Campaign, which raised an impressive Ksh 183 million. This initiative has encouraged members to increase their shares, strengthening the SACCO's capital base and positioning it for greater financial sustainability.

As a testament to its commitment to rewarding loyalty, the SACCO celebrated its top performer from the Rabbai area by awarding them a brand-new car, showcasing the tangible benefits of active membership.

Beyond this campaign, Imarika SACCO has consistently surpassed expectations. The SACCO's total turnover now stands at Ksh 2.2 billion, exceeding the Ksh 2.1 billion target. Additionally, total assets have reached Ksh 14.5 billion, while loans and advances have grown to Ksh 12.6 billion, providing vital financial support to individuals and businesses alike.

Members' confidence in the SACCO remains strong, with total share capital surging to Ksh 963 million, surpassing the Ksh 916 million target, and deposits growing to Ksh 9.3 billion. These figures reflect the trust and commitment of members who continue to believe in Imarika SACCO's vision of financial prosperity.

For years, Imarika SACCO has played a transformative role in empowering communities by offering innovative financial solutions tailored to meet the needs of individuals, businesses, and cooperatives. From accessible credit facilities to wealth-building opportunities, the SACCO continues to be a pillar of financial resilience, helping members navigate economic challenges while securing their future.

As Imarika SACCO grows, so does its impact on countless lives. With a firm foundation built on trust, innovation, and shared prosperity, the SACCO remains dedicated to creating financial freedom and fostering economic growth for all.

TABASAMU SACCO'S Winning Streak! – A Year of GROWTH and EXCELLENCE

By **Irene Kirianki**

Tabasamu SACCO continues to prove itself as a formidable force in the cooperative sector, cementing its place among the best with outstanding achievements over the past year. During last year's Ushirika Day celebrations, the SACCO scooped an impressive six prestigious awards, a testament to its unwavering commitment to excellence, financial empowerment, and member satisfaction.

The past year has been nothing short of remarkable for Tabasamu SACCO, with exponential growth across all key financial indicators. Membership has soared, with 796 new members joining the cooperative, marking a 12% increase compared to the previous year. This steady rise reflects the trust and confidence that members and the wider community have in the SACCO's ability to provide financial solutions that meet their needs.

Beyond membership growth, Tabasamu SACCO has demonstrated exceptional financial performance. The share capital saw an increase from Ksh 94.5 million to Ksh 106.5 million, strengthening the SACCO's financial base and enabling it to offer even more competitive financial products to its members. Similarly, member deposits rose from Ksh 647.7 million to Ksh 731.4 million, registering a 13% increase. This significant growth in savings highlights the confidence members have in the SACCO's stability and financial management.

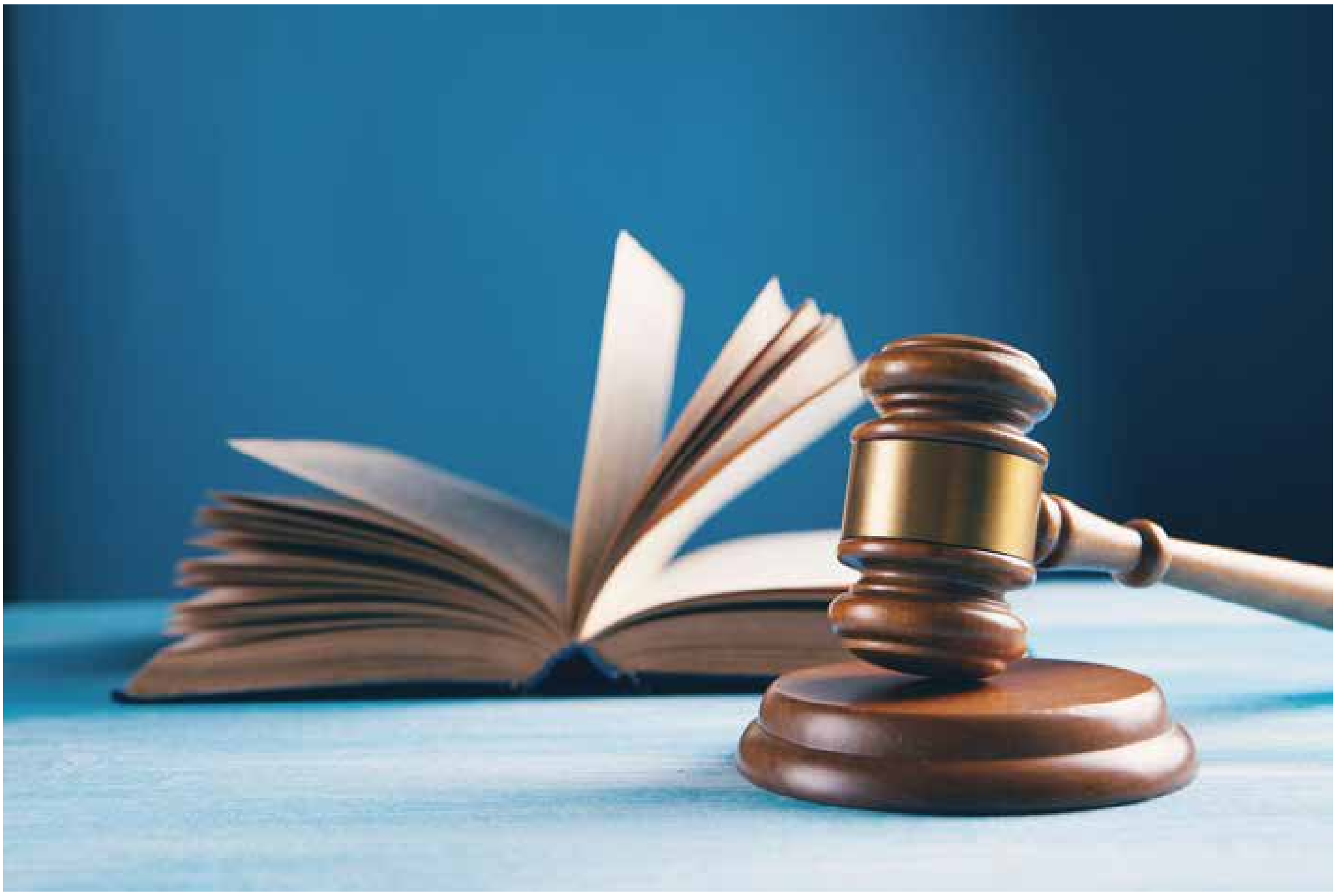
One of the most notable aspects of the SACCO's success is its loan portfolio, which experienced an impressive 28% increase. This surge indicates an expanding credit offering, allowing members to access funding for personal development, business ventures, and investment opportunities. By facilitating access to affordable credit, the SACCO continues to uplift its members financially, helping them achieve their needs, dreams and aspirations.

Moreover, the SACCO's asset base expanded by 18%, reinforcing its position as a financially sound institution capable of withstanding market fluctuations while providing sustainable growth opportunities for its members. The overall growth of 18% across all financial metrics is a clear indicator of a well-managed and resilient SACCO that remains focused on delivering value to its members.

Tabasamu SACCO's remarkable achievements on Ushirika Day are a reflection of its dedication to service, prudent financial management, and strategic expansion. With its continued commitment to financial inclusion, innovation, and member empowerment, the SACCO is well on its way to setting even higher benchmarks in the cooperative movement.

As it looks to the future, Tabasamu SACCO remains committed to growing its membership, enhancing its product and services offerings, and ensuring that every member benefits from sustainable financial solutions. Guided by the spirit of teamwork and cooperative values, the success of the previous year is just the beginning of greater accomplishments for Tabasamu SACCO in the years to come just as its famous tagline 'Pamoja Tunawiri' meaning 'Together We Prosper'.

HOW A NEW Legal Path Empowers SACCO Loan GUARANTORS TO SEEK JUSTICE Through Small Claims Court



By **Hon. Michael Chesikaw**

Ordinarily, when a member of a SACCO wishes to borrow a loan, the common practice is that he or she must get a guarantor—or several guarantors—who are members of the same SACCO to sign the loan application form.

By signing this form, the guarantor(s) accept liability that in the event the borrower defaults, the SACCO shall deduct the defaulted amount from the guarantor's savings or deposits held by the SACCO. This obligation is usually clearly stated in most loan application forms that guarantors sign.

However, sometimes friendship turns sour between a borrower and a guarantor when the borrower fails to repay the loan and the SACCO proceeds to deduct the defaulted amount from the guarantor's account. Naturally, most guarantors do not sit back and allow their savings to be depleted without seeking recourse. Here are several ways guarantors can explore to protect their savings from deduction.

1. Negotiation or Mediation

First, the guarantor(s) have the option to approach the defaulter and negotiate how the borrower will repay the amount deducted by the SACCO. This is known as a negotiated repayment plan.

Once a repayment plan is put in writing and signed by both parties, it becomes a new, legally binding contract between the borrower and the guarantor(s). Similarly, the borrower may verbally agree to repay the deducted amount without a written contract. In such cases, if the borrower honors the agreement, the matter is settled amicably, saving both parties the costs and delays associated with legal action.

2. Filing a Claim at the Co-operative Tribunal

If negotiation fails, the guarantor(s) can seek redress through the Co-operative Tribunal under Section 76(1) of the Co-operative Societies Act, Cap 490, which provides that:

(1) If any dispute concerning the business of a co-operative society arises—

(a) among members, past members and persons claiming through them; or

(b) between members, past members or deceased members, and the society, its Committee or any officer of the society; or

(c) between the society and any other co-operative society, it shall be referred to the Tribunal.

This section does not limit the nature of disputes that can be referred to the Tribunal, provided they arise from the business of a co-operative society. Therefore, a claim by a guarantor seeking recovery from a defaulting borrower qualifies as a legitimate co-operative dispute.

While balancing the ends of justice, the Tribunal often considers guarantors as persons under secondary obligation, meaning that SACCOs should exhaust all efforts to recover arrears from the principal borrower before turning to the guarantors' deposits. In other words, guarantors step in only after the borrower has completely failed to service the loan and has no attachable assets.

3. The Small Claims Court (A New Avenue)

The Co-operative Societies Act (Cap 490) gives the Co-operative Tribunal broad jurisdiction over disputes arising from the co-operative movement. Traditionally, this made the Tribunal the only legal forum for such cases.

However, a recent case—Nicholas Macharia Maina (Appellant) vs. Fridah Muguongo Kagendo (Respondent), E157 of 2023—has opened a new legal path. The High Court upheld a Small Claims Court judgment on a SACCO-related dispute, holding that the Small Claims Court has jurisdiction to hear and determine disputes between a guarantor and a defaulting borrower.

Justice H. M. Nyaga observed in paragraphs 28 and 29 of the judgment that:

"The SACCO's primary interest is to recover the loan amount owed by the borrower. Once the guarantor pays on behalf of the borrower, the SACCO's involvement in the loan effectively ceases. Therefore, upon repayment by the guarantor, the SACCO cannot make any further claims against either the borrower or the guarantor for the same loan."

In view of the foregoing, I agree with the position of the lower court that the legal and financial ties binding the three parties—namely, the SACCO, the borrower, and the guarantor—dissolve once the loan obligation is fully settled.

The High Court went on to affirm that the only recourse available to the guarantor, if the borrower is non-compliant, is to seek recovery of the paid sums through legal action, which can be instituted in any subordinate court.

While opening this third avenue, the High Court viewed the borrower and the guarantor as having lost the bond of the SACCO relationship the moment the SACCO steps out. Although the relationship originated from a co-operative business, it is the view of the High Court that the matter transforms into a debtor–guarantor relationship, over which a Small Claims Court or any other subordinate court has jurisdiction to hear and determine.

For guarantors, this is certainly good news, because the mandate of the Small Claims Court is to determine matters filed before it within sixty (60) days, as opposed to the long and winding processes before the Co-operative Tribunal.

SACCO members should now be more cautious when guaranteeing loans and more aware of the remedies available if things go wrong. Equally, co-operative leaders and policymakers—including institutions such as KUSCCO—have an opportunity to educate members on these evolving legal pathways and ensure guarantorship practices remain fair and transparent.

Hon. Chesikaw is an advocate of the High Court of Kenya

RALLY THE Movement' CAMPAIGN Expands TO SUPPORT CREDIT UNION Development IN Guatemala AND Kenya

By **WOCCU**

MADISON, Wis.—The World Council of Credit Unions (WOCCU) and Worldwide Foundation for Credit Unions (WFCU) are marking the next major milestone in the Rally the Movement campaign by launching a phased strategy to sustain vital credit union development efforts in Guatemala and Kenya, building on their earlier commitment to support Ukraine's credit union system amid the termination of USAID awards that funded WOCCU international development projects.

WOCCU and WFCU in 2025 plan to collectively deploy approximately $650,000 to implement phase one of the strategy, supporting targeted programs in those three countries. The remainder of the Rally the Movement funds will be reserved for future phases to ensure sustainability and long-term impact.

Country Highlights

As previously announced, WFCU disbursed a grant to the Ukrainian United Credit Union (UUCU) to expand agricultural and MSME lending. In-country specialists are supporting implementation, impact tracking and coordination with national stakeholders.

WOCCU will train mobile credit union agents in Guatemala to deliver tailored savings products to underserved women, while expanding lending to small businesses through partner financial cooperatives.

WOCCU is implementing its SME Lending Toolkit in three Kenyan savings and credit cooperatives (SACCOs), helping to unlock finance for small businesses and youth-led enterprises while reducing portfolio risk and increasing outreach to women borrowers.

Each country strategy includes detailed KPIs and deliverables, with workplans and impact reports.

"This strategy ensures we can preserve the incredible progress made through years of development work and adapt to current challenges with targeted, high-impact solutions," said Paul Treinen, Interim President and CEO of WOCCU. "We're proud to move these initiatives forward in partnership with World Council member credit union associations who share our commitment to cooperative finance and community empowerment."

WFCU's Rally the Movement campaign raised a total of $1.17 million—driven by the extraordinary generosity of credit unions, credit union associations and industry partners around the world.

This article was first published by WOCCU. You can access the article via

https://www.woccu.org/newsroom/releases/Rally_the_Movement_Campaign_Expands_to_Support_Credit_Union_Development_in_Guatemala_and_Kenya

KUSCCO in Pictures

Nairobi City County Director of Cooperatives, Dolphin Aremo (second from left), leads SACCO representatives in a procession from Nairobi CBD to KICC during the Ushirika Day celebrations held in July

Prime Cabinet Secretary Hon. Musalia Mudavadi greets KUSCCO Managing Director Arnold Munene during his visit to the KUSCCO booth at KICC for the 2025 Ushirika Day celebrations, as Cooperatives CS Hon. Wycliffe Oparanya and PS Patrick Kilemi look on.

Representatives of UN SACCO receive the 2025 Best Managed SACCO Countrywide award from Prime Cabinet Secretary Hon. Musalia Mudavadi during the Ushirika Awards.

Marlene Shiels, CEO of Capital Credit Union (Scotland) and Chairperson of the Committee of Experts reviewing the SACCO Act, addresses SACCO CEOs and managers during a KUSCCO forum in Naivasha.

SACCO leaders actively participate in discussions during the SACCO Act review forum convened by KUSCCO.

Mr. Edward Mudibo, representing the CS for Cooperatives, addresses participants during the event

KUSCCO in Pictures

SACCO representatives engage in group discussions to voice key taxation issues during the Taxation Dialogue. KUSCCO will compile their views into a memorandum to be presented to KRA as the unified voice of the SACCO movement on taxation matters

KUSCCO Managing Director Arnold Munene and the PS, State Department of Cooperatives, engage during the SACCO Taxation Dialogue organized by KUSCCO in partnership with the Kenya Revenue Authority in Nairobi. The event was held in September 2025

Representatives from SACCOs across Kenya follow proceedings during the SACCO Taxation Dialogue

Priscilla Maranga from the Office of the Commissioner for Cooperatives, and KUSCCO board member representing the Ministry of Cooperatives, joins KUSCCO staff in a tree-planting exercise organized by the Ushirika Council

Nairobi City County Director of Cooperatives, Dolphin Aremo, joins KUSCCO in planting a tree during a tree-planting exercise

SACCO and Cooperatives officials prepare to plant trees as part of the cooperative movement sustainability efforts

KENYA'S COOPERATIVE Sector Gets MAJOR BOOST WITH LAUNCH OF Bold 5-Year Strategic Plan

Cooperatives CS Hon. Wycliffe Oparanya (centre), PS Patrick Kilemi (left), and Commissioner for Cooperatives David Obonyo pose with the ministry's strategic plan after its launch in Nairobi

By **Lina Sohelo**

Kenya's cooperative sector is set for a trans-formative leap following the launch of a Strategic Plan (2023–2027) by the State Department for Cooperatives, unveiled by Hon. FCPA Dr. Wycliffe Ambetsa Oparanya, the Cabinet Secretary for Cooperatives and MSMEs Development.

Described as a "blueprint for inclusive growth," the five-year plan outlines a bold vision to modernize the cooperative movement, enhance governance, and cement co-operatives as engines for socio-economic development in Kenya's largely informal and agriculture-driven economy.

"The cooperative model is at the heart of Kenya's transformation into a middle-income economy," Dr. Oparanya told stakeholders and development partners gathered at the launch. "We have a responsibility to unlock its full potential through strong policy, legal, and institutional frameworks."

Echoing the spirit of President Ruto's Bottom-Up Economic Transformation Agenda (BETA), the Strategic Plan positions cooperatives as key drivers in empowering communities from the grassroots. The plan identifies 11 priority areas, including policy reform, adoption of ICT, aggregation, and cooperative governance.

From coffee and dairy farmers to transport and housing cooperatives, the plan aims to standardize operations, improve service delivery, and foster competitiveness.

Significantly, the Ministry is spearheading digitization of citizen-facing services within the cooperative ecosystem—an initiative expected to reduce inefficiencies and curb mismanagement.

"We are calling upon cooperatives to digitize their operations as a matter of urgency," said Dr. Oparanya. "This is no longer optional. It is a key pillar of sustainable governance."

A War on Mismanagement

Citing widespread concerns about corruption and mismanagement within cooperatives, Dr. Oparanya announced a renewed crackdown on governance failures that have led to losses affecting millions of Kenyans—many of them low-income earners.

"Good governance must go beyond drafting rules. Compliance and enforcement are what make the difference," he stressed, calling on cooperatives and regulators to partner in entrenching accountability.

The Ministry has already revised the Cooperative Policy and is pushing for the enactment of the Cooperative Bill, which will align sector operations with the 2010 Constitution and provide the legal instruments necessary to tame rogue operators.

To fund the ambitious plan, the Ministry is courting development partners and county governments, acknowledging the sector's growing resource needs. It plans to launch a comprehensive resource mobilization strategy aimed at attracting technical, material, and financial support.

"This is a relatively new ministry with expansive mandates and limited budgetary allocations," noted the CS. "Pooling resources and establishing strategic partnerships tailored to our key result areas is the only way forward."

Dr. Oparanya praised stakeholders for their contributions to the Kenya Cooperative Transformation Strategy (KCTS), which aligns closely with the new plan, and emphasized continued engagement across sectors, including agriculture, transport, housing, and fintech.

The strategic plan arrives at a pivotal moment for Kenya's economy. As inflation bites and global economic headwinds persist, cooperatives offer a tested model of resilience—providing affordable credit, reliable markets, and social safety nets for millions.

"Cooperatives are the bridge between the formal and informal sectors," Dr. Oparanya concluded. "They must be nurtured, governed well, and integrated into national development frameworks."

As the sun sets on top-down economics, the cooperative movement, now armed with a clear road map and government backing, may well emerge as the cornerstone of Kenya's inclusive economic revival.

MUDAVADI Urges KENYANS TO Join Cooperatives TO CUSHION ECONOMY FROM Political Shocks

By **Johnshammar Nyagaka**

Prime Cabinet Secretary Musalia Mudavadi has called on Kenyans to embrace cooperatives as a buffer against economic shocks, warning that political instability can easily disrupt livelihoods if households and communities remain financially fragmented.

Speaking during the 103rd Ushirika Day celebrations at the Kenyatta International Convention Centre (KICC), Nairobi, Mr Mudavadi said strengthening cooperatives was a national priority under the Bottom-Up Economic Transformation Agenda (BETA). He said that a vibrant cooperative movement would not only improve access to credit and markets but also insulate the economy from the turbulence that often accompanies political transitions.

"A strong cooperative movement is essential for sustainable development and economic inclusivity. It is the most reliable safety net for families, farmers and businesses when political or economic uncertainties arise," Mr Mudavadi stated, reading President William Ruto's message to the sector.

The government has embarked on a review of the Sacco Societies Act 2008 to strengthen governance and rebuild public trust. A committee of experts, comprising local practitioners and international professionals, has been formed to close loopholes that have enabled mismanagement.

"These reforms will culminate in amendments to the Sacco Societies Act 2008 and new regulations to operationalize both the amended Act and the new Co-operatives Act," Mr Mudavadi said, adding that misappropriated funds would be recovered and those responsible held to account.

The Prime Cabinet Secretary further highlighted targeted interventions in agriculture value chains—coffee, cotton, dairy, beef, and leather—as critical to strengthening cooperative resilience.

Key measures include increasing the Coffee Cherry Advance Revolving Fund from Sh3 billion to Sh4.75 billion, approving a Sh6.8 billion debt waiver for distressed coffee societies, and investing Sh4.6 billion in modernizing New Kenya Co-operative Creameries.

"These interventions are already bearing fruit, with farmgate coffee prices rising from Sh50 per kilogram to as high as Sh150 in some regions," he said.

Cooperatives as engines of stability

Cooperatives and MSMEs Cabinet Secretary Wycliffe Oparanya echoed Mudavadi's message, stressing that cooperatives remain the most reliable vehicles for economic empowerment in uncertain times.

"Cooperatives are not just about savings and credit; they are the pillars of resilience. By working together, pooling resources and diversifying risks, Kenyans can shield themselves from the shocks that come with political or market disruptions," Oparanya said.

Cooperative Alliance of Kenya chairman McCloud Malonza urged the state to integrate cooperatives into climate action and resilience programmes, arguing that their deep reach into rural communities positions them as vital anchors in times of crisis.

The event, themed "Cooperatives: Driving Inclusive and Sustainable Solutions for a Better World," brought together thousands of members and leaders. Awards were issued to top-performing SACCOs including the Kenya National Police DT SACCO and Ushuru SACCO.

With over 30,000 active cooperatives mobilizing 30 per cent of national savings and employing more than 500,000 Kenyans, stakeholders said cooperatives remain the country's strongest shield against economic and political uncertainties.

"As a nation, we must strengthen our grassroots institutions," Mudavadi stressed. "When Kenyans join and support cooperatives, we build a cushion that protects households, stabilizes markets, and secures livelihoods even in times of political shocks."

HOW SACCOS CAN BUILD Sustainability FRAMEWORKS

By **Philip Kimonge**

Risk management plays a key role in determining present and future profitability of any business. The ability of a Sacco to continue to meet its objectives and serve its members hinges on the effectiveness of its risk management strategy.

The Sacco Societies Regulatory Authority (SASRA) has issued guidelines on risk management but Saccos seeking long-term success will use what the regulator provided only as a baseline for their risk management efforts. Leaders focused on the sustainability of their Saccos must deliberately invest in the below steps.

Representatives from various SACCOs in Kenya march in a procession during the 2025 Ushirika Day celebrations in Nairobi

Conduct Comprehensive Risk Identification and Assessment

To begin charting the course toward a sustainable future, Saccos, like any financial institution, must be aware of the risks that lie in their path and create plans to mitigate them. These include operational risk, credit and liquidity risks, governance risk and broader ESG (Environment, Social and Governance) risks and compliance risks.

Develop a Robust Risk Management Framework

Saccos desiring successful long-term risk management must start by developing a comprehensive framework that outlines risk management policies and procedures. The critical steps towards this include:

Define your risk appetite

How much risk is your Sacco willing to take in the course of offering savings and credit services to members? Though deposit-taking Saccos have played the role of banks to many working Kenyans, their primary role obligation is their members' welfare. Every growth opportunity must therefore be considered in light of the risk it poses to members.

The amount of risk a Sacco can take on should also be proportionate to its loan-to-deposit ratio, capital adequacy and other financial indicators. Risk appetite must equally take into account the regulatory boundaries set by SASRA.

Define policies and procedures

Procedures for identifying, analyzing, reporting, monitoring and mitigating each kind of risk must be implemented. Operational risk, for instance, can be curbed by effective training and awareness programs that identify knowledge gaps and address them with capacity-building courses or workshops.

Periodic review

The document defining the risks a Sacco faces and the procedures to manage the risks should be reviewed to take into account changes in regulatory requirements or in the prevailing economic conditions.

While amending your policy and procedures to align with the changes, ensure the changes align with the Sacco's overall risk management strategy.

Strengthen Governance and Oversight

Effective oversight starts from the top with a board and executive leadership that understands its responsibilities towards upholding and continually strengthening the Sacco's risk management framework.

Independent oversight is a key pillar to successful risk management. Three officers, reporting directly to the board, are required within the setup of a Sacco in this regard. These are Secretary to the Board and Internal Auditor.

SASRA's guidelines on combatting money laundering, terrorism and proliferation financing require all regulated Saccos to have an MLRO who will ensure the timely reporting of all transactions suspected to involve any of these three activities to the Financial Reporting Centre (FRC).

Leverage Technology

Saccos need to improve the efficiency of their risk management operations by investing in systems that automate repetitive tasks, increase accuracy and reduce human error. Some recently released risk management solutions leverage artificial intelligence and machine learning to identify emerging threats in real time, enabling risk and compliance managers to make decisions proactively.

Mr. Kimonge is a Certified Anti-Money Laundering Specialist with more than 10 years of experience in banking and fintech. He currently works at Due Diligence Advisory Africa.

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UNIVISION SACCO Adopts DELEGATE System FOR MEMBER Representation

Chief Guest Rose Mutuku delivers her keynote remarks during the function. (Photo: Boniface Mulu)

By **Boniface Mulu**

The Univision DT Savings and Credit Cooperative Society Limited, formerly known as Kitui Teachers SACCO, has officially transitioned from holding Annual General Meetings (AGMs) to the Annual Delegates Meeting (ADM) system.

The decision was ratified during a Special General Meeting held on Saturday, August 23, 2025, at Ithookwe Primary School in Kitui Central District. The gathering was presided over by Kitui County Trade, Industry, MSMEs, Cooperatives and Innovations Minister, Rose Mawia Mutuku, as the chief guest.

Addressing members, Univision SACCO Chairman, Reverend Augustus Munuve, expressed gratitude for their overwhelming member support in adopting the ADM system.

The shift aligns with a June 18, 2025 circular by the Commissioner for Cooperatives Development, requiring all societies with more than 5,000 members to adopt a delegate system. Univision, now in its 49th year, boasts a membership of over 60,000.

"We are grateful to the members for accepting to shift from the AGM to the ADM system. This follows the directive from the Government, which gave cooperatives six months to make the transition. We have met the deadline and are guided by the Ministry of Cooperatives Development," he said.

Rev. Munuve explained that under the new system, the supreme authority will rest with the delegates' meeting. Members from each electoral unit will elect their delegate, with eligibility tied to a fully paid-up shareholding of KSh 10,000 and active contributions to the Back Office Services Activity (BOSA) deposits.

He added that the SACCO will be divided into electoral zones and units, to be reviewed from time to time by the board. Each member will belong to one zone/unit, and an Annual Delegates Meeting will be convened within four months after the end of the financial year.

"The society shall operate under a delegate system of representation. The board will notify members of vacancies in the board, supervisory committee and delegate seats through official communication channels," Munuve said.

According to him, the SACCO will have a maximum of 200 delegates or another number agreed upon by the board and approved at the delegates' meeting. For 2025, the proposed electoral units cover all sub-counties in Kitui, as well as zones in Makueni and Machakos counties.

Univision SACCO Chairman Rev. Augustus Munuve speaking during the same event.

Chief guest Rose Mawia Mutuku praised Univision members for embracing the ADM system, calling it an important milestone for the cooperative.

"The delegate system is not new, but what you have done today is significant. You are among the few SACCOs that have complied with government directives on time. We congratulate you for setting an example," she said.

Mutuku lauded Univision's growth and pledged continued county government support under Governor Julius Makau Malombe. "With over 60,000 members, Univision is a leading SACCO not only in Kitui but in the region. The County Government will continue to walk with you and support your growth," she assured.

Sector Leaders Commend Univision

Also addressing the meeting, Kitui County Chief Officer for Cooperatives, Paul Ngei, praised the SACCO's leadership and membership strength.

"This is one of the most vibrant SACCOs in the region. The delegate system is a good thing — it strengthens representation and governance," he said.

County Cooperatives Director, Sammy Kasanga Musomba, added that Univision's success was a testament to the strength of the cooperative movement. "Your success is our success. You have shown that Univision is the SACCO to be in, and we will continue to walk with you," he told members.

Other speakers included Univision CEO Florence Mutua, Treasurer Simon Muema Munyoki, and KNUT Kitui County Chairman Samuel Kathinuku, all of whom commended members for their commitment and support.

SACCO WAY: the Untold STORIES OF How SACCOS ARE Transforming LIVES

By **Mary Mukami**

Kika Ngakani, a refugee from the Democratic Republic of Congo, shares with NTV how loans from Kenya Bankers SACCO transformed her life in Kakuma.

The Nation Media Group (NMG) and the KUSCCO have partnered to showcase the transformative power of SACCOs through a new television programme, SACCO Way.

The show, which airs every Friday on NTV from 7:40 pm to 8:00 pm, tells inspiring stories of Kenyans who have turned their lives around through SACCO membership. From refugees in Kakuma to farmers in western Kenya, SACCO Way is proving that SACCOs are engines of economic empowerment.

So far, seven episodes have aired, each documenting how SACCO loans have enabled ordinary people to pursue business ventures, expand farms, and create sustainable livelihoods.

Refugees turn entrepreneurs in Kakuma

One of the most compelling stories featured on SACCO Way comes from Kakuma Refugee Camp. Kenya Bankers SACCO, though headquartered in Nairobi, has opened its doors to refugees—a group often excluded from mainstream finance.

Among the beneficiaries is Kika Ngakani, a refugee from the Democratic Republic of Congo. She recalls her disbelief when her loan was approved.

"As a refugee and a foreigner, I never imagined I could access credit in Kenya. But Kenya Bankers SACCO believed in me," she says, her face lighting up with gratitude.

With the loan, Ngakani ventured into farming, cultivating eggplants, tomatoes, spinach, and other vegetables. What began as a small plot of land now supplies food to vendors in the camp and nearby markets. She says the loan not only changed her fortunes but gave her dignity.

The SACCO's leadership emphasizes that their mission goes beyond profit. "We are open to all, including marginalized groups like refugees," the SACCO's CEO explains. "Our aim is financial inclusion, and we also sponsor children from vulnerable communities through vocational training."

Poultry farmer builds a thriving enterprise

In another episode, SACCO Way Covered Invest & Grow (IG) SACCO, one of Kenya's oldest cooperatives with nearly 50 years of service, 35,000 members, and an asset base of KSh 14 billion.

For Margaret Ondiso, a poultry farmer, IG SACCO was the turning point in her journey. She started small, using KSh 40,000 in dividends earned as a member. Encouraged by her progress, she later took a loan of KSh 200,000 to expand her chicken houses.

Today, Margaret manages over 5,000 birds at different stages of growth, ensuring steady cash flow and consistent supply to the market.

"This farm feeds my family, pays school fees, and keeps us secure," she says. "Even the manure from the birds supports crop farming. I can truly say the SACCO made this possible."

Margaret also credits IG SACCO's annual member education days for equipping her with the knowledge to scale her business.

A retired teacher finds a second calling n fish farming

IG SACCO has also transformed the life of Joshua Lwangu, a retired teacher who turned to fish farming. With the help of a SACCO loan, he dug fish ponds and stocked them as his new livelihood.

"Teaching was fulfilling, but I needed something sustainable in retirement," he reflects. "The SACCO gave me the capital to start afresh. Today, fish farming sustains my family and gives me purpose."

Lwangu now encourages others to join SACCOs, insisting that they offer the most practical pathway for Kenyans to build wealth.

The SACCO Way programme is sparking a national conversation on the importance of SACCOs in economic growth. By telling these stories, NMG and KUSCCO are reinforcing SACCOs as the backbone of financial inclusion in Kenya.

For SACCOs that wish to be featured, Nation Media Group can be reached through Gladys Thiong'o on +254 715 413 433 or gthiongo@ke.nationmedia.com. KUSCCO Ltd is also available via 0111027203/0111027200 or customercare@kuscco.com

WHISTLEBLOWING Management for SACCOs

By **David Gitare**

Whistleblowing is the act of reporting **actual or suspected wrongdoing** concerning unethical, illegal, or dangerous activities that have occurred, are occurring, or are likely to occur. Organizations are increasingly implementing or enhancing internal whistleblowing policies due to regulation or voluntary measures.

According to the Association of Certified Fraud Examiners (ACFE)'s *Report to the Nations* on Occupational Fraud and Abuse, **tip-offs, especially from employees**, are the leading method for uncovering fraud and abuse, surpassing control activities like internal audits.

Whistleblower Reports vs. Complaints and Grievances

The Sacco Societies Regulatory Authority (SASRA)'s Guidelines on Complaints Management define a **complaint** as any expression of dissatisfaction by a member or person regarding a Sacco's products, services, or the complaints handling process, where a resolution is expected. SASRA requires SACCOs to adopt measures for **anonymous reporting** and safeguarding **confidentiality** in complaints.

SASRA's proposed Model Complaints Handling Policy (June 2025) suggests that complaints involving allegations of **corruption, fraud, unethical conduct, or malpractice at high Sacco levels** should be handled under whistleblowing provisions and thus **excluded** from standard internal complaints procedures.

In summary, **complaints** relate to operational concerns, such as violations of service level agreements or service delivery hitches. **Whistleblower reports** pertain to unethical, illegal, or dangerous activities that could undermine the Sacco's operations, mission, and vision.

Statutory Framework in Kenya

- **The Bribery Act, 2016:** This Act mandates protection for whistleblowers and witnesses against intimidation and harassment. It requires public and private entities to have procedures for bribery prevention, with a whistleblowing management program being a key element of these procedures.
- **The Whistleblower Protection Bill, 2025:** The Bill aims to encourage and facilitate whistleblowing, establish procedures for reporting improper conduct in public and private sectors, and provide protection against reprisal for those who make such reports.

The Four Key Steps in the Whistleblowing Process

1. **Receiving reports of wrongdoing:**
   - An organization must identify, implement, communicate, and maintain **visible, accessible, and secure reporting channels**.
   - At least one channel should be distinct from the management hierarchy.
   - Channels can be internal or operated by an outsourced whistleblowing service provider.
   - Common methods include in-person, internal/external telephone lines, online, email, digital/mobile apps, post, or internal letter boxes.
2. **Assessing the reported wrongdoing:**
   - Implement processes for the **impartial assessment, triage, and management** of reports.
   - Reports should be sorted and prioritized based on **risk**.
3. **Addressing reports of wrongdoing:**
   - Implement a process that ensures investigations are conducted **impartially by suitably qualified personnel**.
   - Investigations must be fair and impartial to the business unit, the whistleblower, and the subject(s) of the report.
   - Consideration should be given to employing **outside investigators** to ensure impartiality.
   - This step must afford adequate consideration for the **protection and support of the whistleblower** and addressing conduct detrimental to them.
4. **Concluding whistleblowing cases:**
   - This marks the end of processing the report.
   - A case concludes when no action is necessary, no further investigation is warranted, the report is referred to another process, or upon the completion of any investigation (regardless of findings).
   - The organization may wish to acknowledge and give **recognition to the whistleblower** (with prior consent).
   - If legal restrictions limit communication, the whistleblower should be notified of the reasons, where possible.

Setting Up Your Whistleblowing Management Program for Success

To benchmark the setup process, reference **ISO 37002:2021 (Whistleblowing Management Systems Guidelines)**. These guidelines advocate for a holistic program addressing the following components:

- The organization's size, structure, locations, and stakeholder reporting needs.
- Applicable statutory and regulatory obligations.
- **Leadership and commitment** from the governing body (e.g., Board of Directors).
- A **regularly updated and publicized whistleblowing policy**.
- Assignment of roles, responsibilities, and authorities for the whistleblowing management function.
- Sustaining **awareness** of the whistleblowing management system.
- How **data protection and confidentiality** will be ensured.

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HOW Intergenerational WISDOM Shapes MODERN IDENTITY: LESSONS FROM SACCO SAVINGS

By **Joseph Maina**

When I think about my grandmother, I remember the way she tucked away coins into a tin under her bed. It was a small act of discipline that meant school fees were always ready when the time came. She may not have used spreadsheets, apps, or financial literacy podcasts, but she understood one truth that has withstood the test of time: saving is an act of survival, dignity, and identity.

Today, as Kenya's Gen Z steps into adulthood, they inherit not just mobile banking apps and instant digital wallets but also a legacy of intergenerational wisdom that shapes how they relate to money, especially in the context of Savings and Credit Cooperative Societies (SACCOs). The contrast between the generations is striking and instructive.

The Older Generation: Savings as Security and Collective Strength

For the generation that grew up in the 1970s and 80s, SACCOs were lifelines. Parents and grandparents joined teachers', farmers', or transport SACCOs because they offered something that banks rarely extended—trust and community.

For them, savings were less about personal ambition and more about collective security. A contribution to the SACCO was a social contract. Members believed that by saving faithfully, they would access loans to educate children, buy land, or build a modest house. SACCOs were tightly woven into the fabric of their identity as responsible community members.

Importantly, this generation viewed delayed gratification as a virtue. If it took a decade years to save enough for a plot of land, so be it. Patience was a badge of honour. And in many ways, that patient approach has borne fruit. Much of Kenya's middle class today traces its foundation to SACCO savings that financed homes, education, and small businesses.

Now enter Gen Z—digitally savvy, ambitious, and restless for impact. For this generation, savings take on a different nuance. Money is about security and freedom. A Gen Z saver might not think first of land or livestock but of experiences—travel, gadgets, start-ups, or self-improvement.

They live in a time when financial tools are at their fingertips. There is M-Pesa, mobile banking apps, and fintech solutions that make saving and borrowing instant. Yet, the paradox is clear. While they have more tools, they face a harder economic reality. There is high youth unemployment, rising living costs, and the culture of instant gratification amplified by social media.

In this space, SACCOs remain relevant but must work harder to appeal to this new identity. Gen Z wants flexibility, transparency, and products that resonate with their lifestyles. While a rigid monthly deposit may feel like a straitjacket, a savings product that links contributions to short-term goals—say, a travel fund or a start-up capital pool—can ignite their interest.

How SACCOs can build a bridge between generations

The beauty of SACCOs lies in their ability to bridge these two worlds. On one side, they hold the discipline, resilience, and collective ethos of the older generation. On the other, they face the dynamism, creativity, and digital-first mindset of Gen Z.

If Gen Z were to listen more closely, they would hear their grandparents saying: "We saved not because it was easy, but because it was necessary." And if the older generation listened back, they would hear Gen Z asking: "Can savings also be enjoyable, flexible, and aligned with our dreams?"

Modern identity is shaped at this very intersection. The act of saving through SACCOs is a financial behavior and an inheritance of values that are evolving with each generation.

Still, there are frictions. Older members sometimes see younger ones as impatient and unwilling to commit long-term. Gen Z, in turn, views the older generation as too cautious and prone to missing out on opportunities for innovation and faster wealth creation.

But both perspectives hold truths worth weaving together. Without patience, discipline collapses. Without innovation, progress stagnates. SACCOs that thrive in the next decade will be those that will teach Gen Z the value of consistency while adopting tools and products that match their digital lifestyles.

The older generation saved with SACCOs to secure dignity and survival. Gen Z saves—or aspires to save—for freedom and self-expression.

Both stories are valid, and both are incomplete without the other. The discipline of yesterday and the innovation of today are not opposing forces but complementary strands in Kenya's SACCO movement.

As SACCOs adapt to this new reality, they will do more than manage deposits and loans. They will become custodians of intergenerational wisdom. They will help young people turn savings into identity, resilience, and freedom, while reminding them that every coin set aside carries the echoes of ancestors who believed in tomorrow.

KUSCCO LTD.
Kenya Union of Savings & Credit Co-operatives Ltd.
-The SACCO Family Union-

Brain Teasers

1. Why are Co-operativess formed?

2. Are Co-operativess devolved?

3. What is the rate of annual SACCO Societies Levy for from the 1st January, 2024, to the 31st December, 2024?

4. What is the renewable fee for Non-WDT SACCOs under SASRA?

5. Is the certificate issued by SASRA for DT-SACCOs and Specified Non-DT SACCOs one-off? ?

Answers

1. *A Co-operatives is generally formed when a group of people identify an opportunity, need, or problem that is best addressed through working together.*
2. *Yes. Following the enactment of the Constitution of Kenya (2010), the Co-operatives Societies function was fully devolved to the County Governments.*
3. *0.10%*
4. *A Non-Deposit Taking SACCO shall not later than the 30th November of every year submit to the Authority an annual authorisation renewal fee of Kshs 30,000/- for the SACCO society's Head Office; an annual authorisation renewal fee of Kshs10,000/- for each of the SACCO Society's authorised places of business.*
5. *No. The certificate is renewed annually.*

SUDOKU PUZZLE

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ISSUE 65 SOLUTION

4	9	1	6	7	5	2	3	8
2	7	3	9	8	1	4	5	6
8	5	6	4	3	2	9	1	7
7	1	2	8	5	6	3	4	9
5	6	4	7	9	3	1	8	2
9	3	8	1	2	4	6	7	5
1	4	5	2	6	7	8	9	3
6	8	7	3	4	9	5	2	1
3	2	9	5	1	8	7	6	4

SACCO STAR ISSUE 65

SHOULD YOU USE YOUR Retirement Savings TO PAY OFF DEBT? THREE THINGS to Keep in Mind

Bomikazi Zeka - Associate Professor in Finance and Financial Planning, University of Canberra

Jasmine Kinsman - Senior Lecturer in Financial Planning and Certified Financial Planner, Nelson Mandela University

A host of countries have taken steps to reform the terms under which people can access their retirement benefits. South Africa is the most recent. In 2024 it introduced changes that allow access to some retirement savings while ensuring that most of the money is still preserved for later.

Other countries that have changed the rules to allow members to dip into their savings before retirement include Australia, Chile, India and Portugal. Changes were introduced to ease the financial strain caused by COVID-19 pandemic lockdowns. People across the world are grappling with debt and the cost of living.

Policymakers have considered this an avenue that offers financially distressed fund members the flexibility to access their retirement funds while still supporting long-term retirement savings. Retirement funds are also often the only sizeable savings that fund members have.

A recent report by South Africa's Discovery Corporate and Employee Benefits, which represents 3,000 employers that provide pension and provident funds for just over one million employees, found that people aged between 35 and 45 made the most claims to access the savings component of their retirement.

When asked what they used the funds for, 24% of members said their withdrawals were for financing home or car expenses. Another 21% of members were using their funds to pay off short-term debt. The majority of members who withdrew their retirement savings were low-income earners (earning up to R125,000 or US$7,000 a year). On the other hand, withdrawals were lowest among high-income earners (earning more than R1 million or US$56,000 a year).

This data provides evidence that most low- to middle-income South African consumers are grappling with the trade-off between preserving their capital for retirement and meeting their monthly financial obligations.

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Given that everyone's financial situation, goals and needs are different, it's always best to speak to a financial advisor to assess whether using your retirement savings to pay off debt will be a sound move. But, as academics who have focused on financial planning, we offer three pointers to consider:

- understand what you owe, to whom, and what it's costing you
- plan beyond paying off debt
- weigh the pros and cons carefully.
- Know which debt to settle first

Debt with a high interest rate often takes longer to repay, because at the start of the loan repayment period, most of the repayments are going towards interest payments – not reducing the capital amount. If you use your retirement proceeds towards this, it could shorten the period that it would take to settle the loan and reduce the interest repayments, which are compounded according to the outstanding loan balance.

Short-term loans, such as those with a repayment term of up to 18 months, tend to have higher interest rates. Unsecured debt, which is debt that is not tied to an asset, also attracts high interest rates because they have little to no collateral requirements. Collateral provides the lender with a guarantee

of compensation in the event of default. When there is no collateral, the cost of debt becomes more expensive. Using your retirement proceeds towards settling these short-term loans can free up cash that can be used towards settling other debt and will improve your credit score.

Understanding borrowing behaviour

Using your retirement savings to settle debt should be a priority if you have a plan in place to ensure that your overall financial position will improve. Once the debt is cleared, consider how you can use your free cash in your favour. This could mean boosting your savings or acquiring assets and investments.

But if retirement savings are being used to pay off debt while you accumulate more debt, this indicates on ongoing cycle of debt. For example, paying off the minimum amount due on a loan but also consuming the balance that becomes available on the same loan is a sign of poor borrowing behaviour. A more extreme example is taking on more debt to service existing debt.

Without a change in borrowing behaviour, using your retirement savings to pay off debt will leave you worse off. You will have missed out on the opportunity to grow your retirement savings and you will have got into more debt.

Debt repayments vs retirement returns

When considering withdrawing from your retirement savings to pay down debt, it's also important remember this will be at the expense of building your retirement nest egg. For instance, if a 35-year-old were to draw down R30,000 from their retirement fund, that same amount could have grown their retirement capital by over R200,000 by the time they reached 55 years old (assuming an investment return of 10%).

Withdrawing your retirement savings on a frequent basis could also mean you may need to work longer and past your intended retirement age to compensate for the withdrawals. Or you may need to find ways to supplement your retirement savings through other investments, or consider reducing your standard of living at retirement.

Is this a sound move?

Remember, withdrawal from retirement savings is subject to tax.

While retirement may seem far off when there are more pressing financial needs, using your savings to pay down debt has its advantages and drawbacks. Since withdrawals are being used to pay for expenses and service debt, it's also important to reflect on borrowing behaviours that may need to be corrected. Otherwise, using retirement savings could become a financial crutch that could make your retirement income less secure.

Settling debt using your retirement savings should be done after careful consideration and planning. If in doubt, speak to a financial advisor.

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https://theconversation.com/should-you-use-your-retirement-savings-to-pay-off-debt-three-things-to-keep-in-mind-244837#:~:text=Using%20your%20retirement%20savings%20to%20settle%20debt%20should%20be%20a,or%20acquiring%20assets%20and%20investments.

TEAM LEADERSHIP: Finding the Missing Link BETWEEN Purpose AND PRODUCTIVITY IN KENYA'S COOPERATIVE Sector

Employees engaged in a strategy meeting at their office.

By **Alex Wafula**

When we think of a team, we might first imagine a football squad gearing up for a high-stakes match, each player relying on the others to win. In Kenya's cooperative sector — the heartbeat of our economy — the meaning of a team goes deeper. It is far more than a group of individuals working together; it is a family bound by shared purpose, ambition, and the relentless pursuit of collective success.

According to the Oxford Dictionary, a team is defined as a collection of individuals who participate in a specific game or sport against another group. I can define a team as a cohort of individuals united by a common purpose, goal, or mindset, propelled by a desire to achieve success while maintaining enthusiasm and motivation.

Good team leadership is what transforms a cluster of talented individuals into a force. It is the invisible hand that shapes productivity, turns obstacles into opportunities, and fuels the cooperative spirit that so many Kenyan SACCOs and community groups are built on. In this context, leadership is not about authority. It is about influence, cohesion, and inspiration.

This influence should come not from coercion or persuasion but from intrinsic motivation and self-driven effort. It involves careful assessment of each team member's strengths and weaknesses to facilitate their development, motivation, recognition, and support. The pleasure derived from the encouragement and camaraderie of colleagues is paramount, ensuring that individuals complement each other's weaknesses while bolstering each other's strengths, particularly during challenging circumstances.

As a team leader, it is necessary to master the art of harnessing individual talents and skills to create cohesiveness and facilitate a smooth flow of ideas. This requires fostering a friendly environment, carefully allocating responsibilities, and selecting team members based on their knowledge, experience, passion, and expertise.

The ability to influence others stems from both acquired and developed social skills, enabling one to become a respected leader. This involves rising through different social strata while maintaining a track record of integrity and consistent results, as well as driving remarkable change in a specific area. Understanding people's behavior is vital to knowing why they act as they do, which can inform how to accommodate them effectively, thereby promoting productivity and job satisfaction.

Building trust is essential in leadership; it is difficult to inspire belief in a vision if team members do not trust you. Effective leadership calls for building meaningful relationships, demonstrating care and understanding for your team, and standing up for them.

For a team to be effective, it needs to be well-motivated. This means that a leader must go the extra mile to ensure that the team's momentum and spirit are maintained. Leaders should appreciate team members and make them feel special rather than segregated. This support fosters self-belief and encourages individuals to channel their strengths toward personal improvement and proving their relevance.

Motivation factors vary from person to person, depending on what makes each individual happy or engaged. For example, Daniel is an extrovert who spends most of his free time socializing with friends, playing soccer, and watching movies. In contrast, Ann prefers spending her time indoors, reading books, exploring trends on social media, and traveling. It would be unfair to book a beach hotel for Daniel and assign him tasks requiring long-distance travel, as this would not align with his interests. Conversely, such arrangements might motivate Ann because they match her preferences.

In short, what motivates one person may not necessarily motivate another. Simple gestures, such as buying lunch as a reward for arriving at work early or completing a challenging assignment quickly, can have a significant impact. Additionally, recognizing employees by shaking hands and applauding them in front of their colleagues—especially for outstanding performance—can foster confidence and a sense of appreciation.

According to Frederick Herzberg, employee satisfaction consists of two dimensions: "hygiene" factors and motivators. Hygiene factors, such as salary and supervision, help reduce dissatisfaction in the work environment. In contrast, motivators—such as recognition and achievement—enhance productivity, creativity, and commitment among workers. This means that salary can stop being a motivating factor, especially when it is compared to the salaries of other staff members in similar positions or when employees have remained on the same salary scale for an extended period.

Work-life balance serves as a subtle strategy to ensure that employees have sufficient time to focus on their tasks. It not only cultivates a positive company image but also aids in preserving and enhancing client engagement, dedication, and self-esteem. Ultimately, this contributes to heightened productivity. Strategies to promote work-life balance may include establishing welfare associations to address non-work-related issues, organizing mental health awareness programs, and providing financial and investment training.

WHAT DOES Pocket Money TEACH Children? IT CAN OFFER SOCIAL AS WELL AS Financial Education

Graduating students pose for a celebratory group photo

By **Gaby Harris**

Lecturer, Manchester Metropolitan University

If you're a parent, the summer holidays and approaching new school year might have you questioning your children's access to pocket money – how much they get, how much they're spending and what they're spending money on.

How pocket money is provided varies. So be reassured there is no right, wrong or normal way to give your kids money. For some households, it will be weekly small amounts simply for kids to use at their leisure. For others, it will include forms of payment for work done around the house.

According to recent data from NatWest, children get an average of £3.85 a week, and £9.13 if you factor in income for chores.

While around one in three households give regular allowances, many households give pocket money flexibly. Much of this flexibility depends on how much children contribute to the household.

The language used in recent years in reports from banks such as NatWest and GoHenry on pocket money describe "entrepreneurial", "determined" and "industrious" children who are earning more and spending responsibly. NatWest claims children are learning "great money management" and "positive behaviours".

This positions pocket money as more than just disposable income – as a learning opportunity. But it's worth looking closely at what money teaches children, and what it is we want them to learn.

On the face of it, teaching children to be hardworking, and rewarding that hard work, sounds alright. But we need to consider this carefully in a time of work precarity, debt and declining welfare.

This kind of financial literacy encourages an individualised idea of what money is and how it is valued. The consequence of this is that inequalities in income and finances become linked with personal failures of "not working hard enough", rather than systemic problems.

In reality, a lack of access to money is not often a reflection of how hard someone works, but based on background, race, gender or disability.

Banks' advice for parents also suggest that pocket money can be used to reward good behaviour. But what good behaviour means is up for debate. For one thing, it likely varies between parents and children, so becomes a tool for what parents think good behaviour is.

Money has a social power that children understand. My research demonstrates how they can use this to negotiate with each other, interpret parent rules and most importantly rework for their own purposes. I document the example of the teenage girl who knew her parents would give her more money if she went out with people they approved of. While the girl saw this as something she could negotiate for her own benefit, we must also ask what this teaches kids about coercion and control.

The risk is that parents will inadvertently encourage their children to associate money with control and a need to conform to access money. The effect of this can be far reaching.

Forthcoming research by my colleague at the London School of Economics, Liz Mann, explores how witnessing controlling behaviour over money in childhood may increase women's desires for independence in adulthood, even if this leaves them economically disadvantaged in their relationships.

Building a better future

If we are going to make connections between money and behaviour, it would be far better to think about traits such as kindness, generosity, inclusivity. The evidence is there to suggest this is much more in line with how children think about and use money.

Children's hands holding coins

Children know the social power of money. A3pfamily/Shutterstock

Children are very aware of their families' financial situations and often adjust their spending around this. They are also savvy and communal with how they think about money. They create their own little economies based on sharing, borrowing and bartering with each other. These are much better skills of responsibility centred around sharing and caring.

NatWest's recent report also suggests that, while kids might be feeling the cost-of-living squeeze every bit as much as adults, they remain steadfast in their generosity. They donate to causes important to them, including social, medical and environmental issues. Given the inclination for donations, there is scope to encourage a new generation of socially minded spenders.

This can include conversations with children on where their money comes from and where goes when they spend it. Think about how their money can support local, small businesses which sustain and develop local communities, rather than big business. Think too, about their awareness of differences in household income, and use this as a tool to discuss inequality in income and wealth and the benefits of redistribution.

Rather than focusing on ideas of "good" behaviour, or that their own industriousness is all they need to sustain them, we should be taking the lead from kids and encouraging discussions of money in ways which can include topics of fairness, redistribution and ethical spending. That is the kind of social power pocket money should encourage.

This article was first published by the Conversation. You can access the original article via https://theconversation.com/what-does-pocket-money-teach-children-it-can-offer-social-as-well-as-financial-education-262377

UNTAPPED POTENTIAL: Abundant OPPORTUNITIES For Islamic SACCOS IN KENYA

By **Tego Wolasa**

Kenya's financial landscape presents fertile ground for Islamic Savings and Credit Cooperatives (SACCOs). With a significant Muslim population, estimated to be between 12% and 15% of the total Kenyan population, representing approximately 6 to 7.5 million individuals, a vast and largely untapped market exists. This demographic includes even children, who can open junior accounts. The presence of 12,000 to 15,000 mosques offers crucial outreach potential.

Current financial account penetration remains low due to the limited number of institutions capitalizing on this potential. By the end of 2024, there were roughly 608,000 accounts in banks and SACCOs (hardly 10%). This number highlights a substantial unmet demand for Sharia-compliant products such as Mudarabah, Musharaka, Murabahah, and Ijara.

This potential aligns with a growing global interest in ethical and sustainable finance. Globally, Islamic finance assets exceeded USD 5 trillion in 2024 and are projected to surpass USD 7.5 trillion by 2028. The opportunities are immense.

Kenya's Islamic finance sector, while still developing, mirrors the broader African growth, where the Muslim population is inching past 50% of the total African population (750 million).

Currently, fully-fledged Islamic SACCOs operate in Kenya, including Taqwa, Frontier Selam, Aneemat, Ribaless, Crescent Takaful, and Barka. There is also a growing trend of Islamic windows within conventional SACCOs, with institutions such as Njiwa, Shofco, and Stima leading this trend.

Taqwa Sacco, with KES 1.8 billion in assets, 15,000 members holding KES 1.5 billion in deposits, and a 16.8% dividend, exemplifies this potential. Several other SACCOs (Solution, Bandari, Nacico, Mwalimu National, Sheria) are in the development phase.

The opportunities for Islamic SACCOs are numerous: serving an untapped market, increasing financial inclusion, aligning with ethical finance trends, offering diverse Sharia-compliant products, potential government support, growth within the African Islamic finance sector, and catering to SME financing needs.

In addition to capitalizing on the market potential, SACCOs need to embrace Islamic banking for other critical reasons, such as financial inclusion that equally caters to both Muslim and non-Muslim members. These products are also necessary for member retention, preventing clients from moving to SACCOs offering Islamic products.

Muslims have strong networks, with a total of five mandatory daily prayers in mosques, amounting to 35 weekly gatherings, providing a significant potential for spreading information about Islamic products.

However, realizing this potential requires strategic action. Islamic SACCOs must increase awareness of Islamic

Muslim youth competing in a spirited tug-of-war match.

finance, develop diverse and innovative Sharia-compliant products, forge strategic partnerships (e.g., with mosques), embrace technology for accessibility, advocate for supportive regulations, and invest in capacity building to ensure Sharia-compliant operations.

Despite potential challenges such as limited awareness and the need for a robust regulatory framework, the opportunities for Islamic SACCOs in Kenya are significant. There is an expectation, for instance, that Islamic SACCOs will be considered in the recently created committee of five by CS Oparanya to streamline SACCO regulations in Kenya.

By strategically addressing the needs of the substantial Muslim population and offering ethical financial solutions, these institutions can play a crucial role in enhancing financial inclusion and contributing to Kenya's economic development. The market is vast, the demand is present, and the time for Islamic SACCOs to fully capitalize on these opportunities is now.

Tego is the Board Chairman at BTI College

SECURING THE Future OF BNPL: WHY SACCOS Hold The Key

By **Benjamin Karin**

The Buy-Now-Pay-Later (BNPL) market in Kenya is thriving; valued at over $1 billion. With more than 5 million smartphones financed in the past five years, BNPL has rapidly become a gateway to digital access for many Kenyans.

But this growth has not been without challenges. Several BNPL providers have recently struggled—some collapsing—under the weight of rising default rates and poor credit controls. These cases underscore a critical reality: without proper credit structures, BNPL can become a financial burden rather than a tool for empowerment.

For SACCOs and MFIs, this moment presents an opportunity: to step in with a safer, smarter model of device financing—one built on trust, community roots, and risk-aware lending.

A Smarter, Secured BNPL Approach

At MobiPlan, we've developed a BNPL framework that directly addresses the weaknesses of traditional models. Our approach involves partnering with SACCOs and MFIs, combining our technology and logistics infrastructure with their deep financial expertise and member networks.

In this model: SACCOs and MFIs finance the smartphones, retaining control over the lending process while MobiPlan supplies the devices, integrates secure smart-lock technology, and delivers after-sales support nationwide.

Unlike providers who issue credit directly and broadly, we focus on secured, controlled lending. Our embedded smart-lock feature activates in the event of payment default, enabling SACCOs to safeguard their portfolio while maintaining borrower accountability.

Proven Results Through Partnership

Our model is already seeing success. We've partnered with institutions like Yehu Microfinance and various Financial Services Associations (FSAs) in Kenya's lower Eastern region. These collaborations have reported significantly lower default rates, higher repayment consistency and Improved member satisfaction

To illustrate: a smartphone retailing at Kes. 11,000 can be financed through MobiPlan at Kes. 16,000 over manageable monthly payments. In contrast, traditional BNPL models often charge daily repayments that add up to much more, straining borrowers and increasing defaults. MobiPlan's approach ensures affordability, predictability, and transparency.

Quality Devices, Reliable Support

Our partnerships with major manufacturers including Samsung, Transsion (Tecno, Infinix, Itel), Oppo and Redmi ensure that members access reliable smartphones backed by one-year warranties.

We've also partnered with authorized service centers like **Carlcare and Samsung Care**, offering wide-reaching after-sales support throughout Kenya.

Empowerment Beyond the Device

MobiPlan's impact goes beyond smartphone delivery. We embed financial literacy and digital skills training into our distribution process, ensuring SACCO members learn how to maximize the power of their devices through mobile banking, digital payments, e-learning and business tools.

This holistic approach not only builds responsible borrowing behavior, but also strengthens financial independence and digital inclusion across communities.

A Call to Action for SACCOs

As trusted institutions with community roots, **SACCOs are uniquely positioned to redefine BNPL in Kenya**. MobiPlan's model offers a blueprint: secure financing, supported by technology, anchored in partnership, and driven by member welfare.

The response so far speaks volumes. Institutions adopting our model report stronger loan books, happier members and reduced risk exposure.

The future of BNPL is not about extending credit widely; it's about extending it **wisely**.

At MobiPlan, we're proud to walk this journey with SACCOs ensuring that financial access and responsibility go hand in hand.

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HOW Social MEDIA Undermines SACCO SAVINGS

By **Michael Waweru**

On any given day, social media timelines are filled with announcements of new cars, overseas trips, or new houses often portrayed through glossy photographs. What appears to be personal progress is often celebrated as public performance. The danger is that these curated milestones are quietly reshaping how many Kenyans view their own financial journey. A culture of comparison is undermining one of the most enduring savings traditions in the country: the SACCO.

For decades, SACCOs have been the foundation of financial growth in Kenya. Teachers saved diligently through cooperatives to educate their children and build homes. Farmers relied on their SACCOs to buy land or invest in farm projects. Matatu SACCOs provided structured financing that helped operators acquire vehicles and expand routes. In these examples, milestones were pursued with patience and discipline. A member contributed monthly, secured a loan, and worked steadily toward tangible goals.

This approach built a strong middle class. It allowed families to transition from renting to owning homes, from subsistence farming to commercial production. SACCO savings were seen as a marker of responsibility, not as a performance for applause.

Today, social media has turned milestones into competitions. A car purchase that once represented years of disciplined saving through a SACCO is now presented as a quick lifestyle upgrade. A mortgage funded after long-term contributions is reduced to an Instagram post, stripped of context. The impression left is that progress should be instant and spectacular.

The effect is damaging. Many young savers, particularly the youth, feel their steady contributions to SACCOs are inadequate compared to what they see online. Instead of staying committed to long-term savings, they are tempted to spend impulsively or turn to quick digital loans to project success. Some even abandon SACCOs entirely, assuming the cooperative model is too slow for modern life.

The comparison culture has real financial costs. Money that could build equity through SACCO savings is diverted to short-term consumption. Expensive credit facilities are used to mimic lifestyles displayed on social media, even when affordable SACCO loans are available. Most dangerously, the habit of delayed gratification, which has sustained cooperative savings for decades, is being eroded.

Many younger SACCO members now struggle to meet minimum deposits because income is directed to immediate lifestyle choices inspired by online comparisons. Sme SACCOs are reporting that while youth membership is growing, sustaining regular deposits remains a challenge as younger savers juggle competing social pressures.

SACCOs offer a counter-narrative to the fleeting culture of comparison. They remind members that real progress is built in quiet, incremental steps. The loan that funds a university education, the shares that purchase land, or the dividends that secure retirement are all milestones that do not need digital validation.

The cooperative model also provides collective strength. While social media promotes individual display, SACCOs reinforce the idea that members rise together. The funds one contributes today not only grow their savings but also empower another member to access a loan. This interdependence creates stability that no social platform can replicate.

Kenya's SACCO movement has an opportunity to position itself as an antidote to comparison culture. Products tailored for younger savers can reframe savings as empowering rather than restrictive. Digitisation has already begun, with many SACCOs offering mobile platforms for deposits

and withdrawals. These tools can be enhanced with features that gamify saving, turning discipline into a rewarding experience without falling into the trap of superficial competition.

At the same time, there is a need for financial literacy campaigns that expose the illusion of social media wealth. By highlighting real examples of members who have built businesses, homes, and generational wealth through SACCOs, cooperatives can demonstrate that true success is not measured by likes but by financial security.

Stability over spectacle

Social media will continue to amplify personal milestones, often without revealing the debt and strain behind them. The danger lies in allowing these curated displays to dictate financial decisions.

Kenya's savings culture was built on the quiet patience of members who believed in tomorrow. That wisdom remains relevant today. To preserve it, savers must resist the curse of comparison and embrace the discipline of SACCO contributions. In the end, financial dignity is not staged for applause. It is lived, secured, and passed on to the next generation.

The writer is communications expert and media trainer in Kigali, Rwanda

MY SAVINGS Journey STARTS RIGHT AFTER THIS Airtime Purchase

By **Zack Ngugi**

When I grow up, I want to save. Not just spare change or M-PESA leftovers but save real money. The kind that sits quietly in a SACCO account, earning interest, waiting for me to make a wise financial decision. But first, let me buy airtime. Because in Kenya, that feels more urgent. What if I need to check social media, respond to a work email, or catch breaking news about the latest political meeting?

Saving in Kenya is a dream shared by many, but practiced by few. It's something we all believe in, yet rarely prioritize. We speak of savings the way we speak of our gym memberships—with good intentions and poor follow-through. We start strong in January, declaring financial discipline as our resolution. By February, we're borrowing from Fuliza to buy lunch, and SACCO contributions have mysteriously disappeared from the budget.

But here's the truth: saving isn't about having more—it's about doing more with what you already have. In Kenya, where economic shocks are frequent and emergencies come unannounced, savings are a lifeline. And no platform understands this better than a SACCO.

SACCOs offer something rare in the financial world: trust. Your contributions aren't just locked away; they work for you. They earn interest, and more importantly, they give you access to affordable loans when you need them most. Unlike traditional banks that require endless paperwork, SACCOs allow you to borrow against your own savings, often at three times the amount you've contributed. That's not just access—it's empowerment.

Across the country, SACCO loans have changed lives. Farmers have expanded their businesses. Teachers have built homes. Young professionals have cleared school fees and started side hustles. All this begins with a simple decision to save regularly, however small the amount.

Still, we find excuses. We say the money isn't enough. We plan to start "next month" or "after this wedding" or "once I clear this other loan." Meanwhile, we're spending on data bundles, impulse buys, weekend plans, and soft life luxuries. Airtime is never late. Netflix is always paid. But our SACCO accounts? They're pending.

The problem isn't always income—it's mindset. Many of us are caught in a cycle of consumption, postponing progress for pleasure. We want to look successful, rather than build actual financial security. And the consequences are real. When emergencies arise, we turn to shylocks, auctioneers, or friends who are also struggling. All this while a SACCO account could have quietly prepared us for such moments.

In some cases, the only thing we consistently save for is a funeral. Burial plans, last expense covers, and welfare groups receive more attention than business ideas or school fees. It's almost as if we're preparing more for death than for life. But imagine the possibilities if we redirected even a fraction of those contributions into a SACCO account. Imagine the dignity of facing life's challenges with options.

Saving is not just for the wealthy. You don't save because you have money—you save to build money. Even KES 200 a week adds up over time. And it's not just about the amount; it's about the habit. The discipline. The quiet decision to prepare for the future instead of reacting to it.

SACCOs are not perfect, but they are built on the principles of mutual aid and financial inclusion. They are designed to serve the people who are often ignored by mainstream banks. In a SACCO, your money doesn't just sit—it supports other members while growing your creditworthiness. It gives you a say in how the institution is run. It offers you a chance to move from survival mode to growth mode.

So, let's shift our thinking. Let's move saving from the "later" list to the "now" list. Before you buy that airtime, before the monthly sherehe, before another unplanned expense eats your budget—put something into your SACCO account. Even if it's small, it counts.

Because when you grow up—and you will—you'll need more than just memes and motivational quotes to build your life. You'll need savings. You'll need access to credit. You'll need a plan. And the best place to begin that plan is in a SACCO.

Yes, I still want to buy airtime. But this time, I'll save first.

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