

# DYK Q2-2026

## SHARE CAPITAL - EDITION

WHAT IS SHARE  
CAPITAL?

ILLUSTRATION  
OF DIVIDEND  
EARNINGS AT AN  
AVERAGE RATE  
OF 14%

SUCCESS TIPS IN  
2026

*How to grow your share  
capital*

SUCCESS TIPS

WHERE TO START ON  
YOUR JOURNEY TO  
INCREASE THE SHARE  
CAPITAL



**UTAFITI**  
SACCO SOCIETY

## What is Share Capital?

Share capital is the amount of money a member contributes to the SACCO as an ownership stake. Unlike savings, share capital is a long-term investment in the SACCO and is not withdrawable but transferable in accordance with SACCO bylaws and the co-operative act.

## Why It Is Important to Invest in Share Capital

- ✓ Establishes your ownership in the SACCO
- ✓ Gives you the right to vote and participate in decision-making
- ✓ Enables you to earn annual dividends – over the past five years, Utafiti SACCO has distributed dividends at an average flat rate of 14%
- ✓ Strengthens your financial standing within the SACCO
- ✓ Supports the SACCO's ability to offer better services and bigger loans

By increasing share capital, members are not only investing in themselves, but also in the future strength and sustainability of the SACCO.

## Why Share Capital Matters to the SACCO

Share capital forms part of the SACCO's core capital, which is essential for:

- ✓ **Financial Stability** – Ensures the SACCO remains strong and resilient
- ✓ **Regulatory Compliance** – Helps meet statutory capital requirements
- ✓ **Loan Capacity** – As at end of 2025, core capital stood at KES 114 million, allowing a maximum individual loan of KES 11.4 million (10% of core capital)
- ✓ **Expansion and Development** – Supports growth in products, services, and member solutions

A strong core capital makes Utafiti SACCO more stable, competitive, and member-focused

## Key Benefits for Members

- ✓ Dividends – Earn attractive annual returns
- ✓ Increased Borrowing Power – Higher share capital unlocks bigger loans
- ✓ Ownership & Control – Vote and influence leadership
- ✓ Better Services – Faster processing, competitive rates, improved support
- ✓ Long-Term Growth – A secure investment that grows with the SACCO

## Contribution Limits

Minimum share capital contribution: **KES 20,000**  
Members are encouraged to gradually increase their investment up to **KES 10,000,000 (10M)** *(In line with cooperative regulations, no member shall hold more than one-fifth of the issued and paid-up share capital of a cooperative society.)*

## Conclusion

Share capital is the foundation of the Sacco's strength and sustainability. By increasing your contribution, you:

- ✓ Enhance your personal financial benefits
- ✓ Improve your borrowing capacity
- ✓ Contribute to a stronger and more stable SACCO

Members are therefore encouraged to gradually build their share capital beyond the minimum requirement in order to fully enjoy the benefits it offers.



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## Illustration of Dividend Earnings at an Average Rate of 14%

Below is an illustration of dividends earned at an average annual dividend rate of 14% based on different share capital amounts.


Share Capital	Dividend Rate (14%)	Less Tax (5%)	Net Dividends
20,000.00	2,800.00	140.00	2,660.00
30,000.00	4,200.00	210.00	3,990.00
50,000.00	7,000.00	350.00	6,650.00
100,000.00	14,000.00	700.00	13,300.00
1,000,000.00	140,000.00	7,000.00	133,000.00
3,000,000.00	420,000.00	21,000.00	399,000.00


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