



**46th ANNUAL
GENERAL MEETING**
Together We Shape A Brighter Future For Our Sacco.

46TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given, pursuant to UTAFITI SACCO By-Law No. 13, that the 46th Annual General Meeting (AGM) will be held on Thursday, 2nd April 2026, from 1.00 p.m. to 4.30 p.m. (EAT) at the ILRI Campus, Vercoe (JV) Auditorium, Uthiru – Nairobi, with an option for virtual attendance via Zoom for members unable to attend physically; members are kindly requested to register in advance using the following link:

<https://ilri-org.zoom.us/meeting/register/cnKZaJvSS1-B7ySGlJcFqA> after which a confirmation email with joining details will be sent.

DIVIDENDS AND INTEREST ON DEPOSITS AT UTAFITI SACCO

At Utafiti SACCO, members are rewarded for their commitment to saving and investment through Dividends on Share Capital and Interest on Deposits (IOD). These benefits reflect SACCO's strong financial performance and its commitment to member wealth creation.

1. Understanding Key Terms

Share Capital - refers to the mandatory, non-withdrawable amount contributed by a member to represent ownership in Utafiti SACCO. Currently our minimum share capital is Kes 20,000, however for better earnings, and bigger capital share members have the prerogative to invest above the minimum share holding to a maximum of 1/5(one fifth or 20%) of the total institutional share capital (no single member can own more than 20% of the total shares of UTAFITI). Share capital is mandatory while one remains a member and non-withdrawable but transferable

Dividends are returns paid to members based on their Share Capital contribution, which represents a member's ownership stake in Utafiti SACCO.

- Dividends are declared annually from the SACCO's surplus.
- The dividend rate is proposed by the Board of Directors and approved by members during the Annual General Meeting (AGM).
- Payment is proportional to the amount of share capital held by each member.

Member Deposits are the refundable savings contributed by members to a SACCO for the purpose of earning interest and supporting lending activities

Interest on Deposits (IOD) is earned on member savings and deposits held with Utafiti SACCO.

- ❖ Deposits form the main lending base of SACCO.
- ❖ IOD is declared annually subject to SACCO's financial performance.
- ❖ The interest is calculated based on members' deposit balances over the year.
- ❖ Deposits are generally withdrawable in line with SACCO by-laws and policies. At Utafiti SACCO a member is required to give 60 days notice of deposits withdrawal or account closure

2. Key Features of Dividends and IOD at Utafiti SACCO

- Performance-Based Returns: Payments depend on the SACCO's surplus for the year.
- Member-Approved Rates: All rates are approved by members at the AGM.
- Affordable and Competitive: Returns compare favorably with other low-risk savings channels.
- Transparent and Accountable: Declared in audited financial statements.
- Flexible Application: Earnings may be paid out, offset against loans, or reinvested subject to member instructions.

3. Benefits to Utafiti SACCO Members on Reinvestment and Ploughing Back

- A. Financial Growth - Members earn annual returns on both their ownership (shares) and savings (deposits), supporting long-term financial growth.
- B. Increased Borrowing Power - Higher deposits and share capital improve loan eligibility and borrowing limits.
- C. Secure and Member-Owned - Unlike commercial institutions, returns are shared among members, reinforcing collective ownership and trust.
- D. Promotes a Strong Saving Culture - Dividends and IOD reward consistent saving and long-term SACCO membership.

4. Ploughing Back or Reinvesting Dividends and Interest into Share Capital or Member Deposits

What Does Ploughing or Reinvesting Back Mean? It refers to reinvesting dividends and/or interest on deposits into Share Capital or Member Deposits instead of withdrawing them in cash.

At Utafiti SACCO, members may opt to:

- Reinvest their dividends

- Reinvest interest on deposits
- Reinvest both, subject to SACCO policy and annual resolutions

This option is usually exercised through:

- Written member instructions
- AGM resolutions
- Approved SACCO processes

At Utafiti we have made it easy for our members who are registered with Mobile Banking, they can plough or reinvest back the Dividends and IOD or use the same to pay their loans at their comfort

5. Advantages of Reinvesting (Ploughing Back)

- A. Higher Ownership Stake - Reinvesting increases a member's share capital, strengthens ownership in Utafiti SACCO.
- B. Increased Future Dividends - Since dividends are based on share capital, higher shares translate into higher future dividend earnings.
- C. Long-Term Wealth Accumulation - Ploughing back allows members to benefit from compounding returns over time.
- D. Stronger SACCO Capital Base - Reinvestment boosts SACCO's institutional capital, enhancing liquidity, sustainability, and growth.
- E. Disciplined Saving - Funds reinvested into share capital are preserved for long-term benefit rather than short-term consumption.
- F. Any funds ploughed or reinvested back to the member deposits is not considered as a cash boost and a member can immediately borrow any loan with the SACCO

6. Supporting the Growth of Utafiti SACCO

When members reinvest their earnings, Utafiti SACCO is better positioned to:

- Grow its loan portfolio (Grow the SACCO's core capital that allows individual members to borrow more)
- Improve member services
- Strengthen financial resilience
- Deliver consistent value to members

This creates a virtuous cycle where member commitment directly supports SACCO growth—and SACCO growth delivers higher future returns

7. How to Access Your Dividends and Interest on Deposits (IOD) at Utafiti SACCO

At Utafiti SACCO, dividends and interest on deposits (IOD) are declared annually following approval by members at the Annual General Meeting (AGM). Once declared, members can conveniently access their payments through approved channels in line with SACCO policy.

Available Payment Options -:

A. Mobile Banking Withdrawal - Members may access their dividends and/or interest on deposits through Utafiti SACCO Mobile Banking, subject to the approved transaction limits.

Key features:

- Funds are credited to the members' Div and IOD account
- Withdrawal is done via the SACCO mobile banking platform - Mpesa
- Fast and convenient, especially for small to moderate amounts

B. Bank Transfer - Members may opt to receive their dividends and/or IOD via direct bank transfer to their nominated bank account.

Requirements:

- A valid and active bank account
- Bank details correctly registered with Utafiti SACCO
- Compliance with any minimum transfer thresholds set by SACCO

Key features:

- Suitable for larger amounts
- Secure and traceable
- Processing timelines depend on banking cycles

C. Loan Offset (Where Applicable) - Subject to member instructions and SACCO policy, dividends and/or IOD may be used to offset outstanding loan balances.

Benefits:

- Reduces loan principal
- Lowers future interest payable
- Improves a member's repayment position

D. Reinvestment / Ploughing Back - Members may choose to reinvest dividends and/or interest on deposits into Share Capital or Deposits as described in note #4

- Strengthens individual borrowing capacity
- Contributes to the overall growth and stability of Utafiti SACCO

In Summary

Dividends and Interest on Deposits are key benefits of membership at Utafiti SACCO, rewarding both ownership and consistent saving. Members who choose to reinvest or plough back these earnings into Share Capital or Member Deposits enjoy enhanced long-term benefits while contributing to the stability and growth of SACCO.