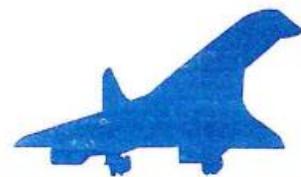


Concorde Sacco Member Education

1. Regulation by SASRA and its effects on loan delinquency & interest on deposits/dividends on share capital: **The need to repay loans promptly & consequences of default on the Sacco & loanee.**
2. Disruptions caused by COVID-19 pandemic and proposed way forward.
3. Technological Advancements and its advantages & challenges such as cyber-crime.
4. Competition from banks and mobile money lenders which are unregulated: **The need to remain loyal to the Society.**
5. Savings - the pros of developing a positive savings culture.



**Concorde Savings & Credit
Co-operative Society Ltd**

SASRA



CPA Anthony Muthee
Njiru
0722 241 005

Specific objectives of SASRA



Protect members' deposits



Encourage mobilization of members' funds



Promote creation of confidence in SACCOs.

Prudential Guidelines for Regulated Non DT

- Liquidity
- Capital Adequacy
- Provisioning
- Governance
- Returns

Positive Impact of Regulation

- Improved Performance and Risk Management Systems Among NDTs
- Investment in Management Information Systems (MIS)
- Improved Professionalism in Management of NDTs SACCOs
- Increased Visibility of NDT SACCOs as Financial Services Providers
- Enhanced Transparency in Financial Performance of NDT SACCOs
- Convergence of SACCO Subsector into a Financial Cooperative System



Unintended Impact

- Reduction in number of non deposit taking Saccos due to mergers
- Reduction in dividend and interest distribution as Saccos adjust to comply with requirements
- Initial Costs in setting up the required infrastructure such as systems upgrades



Innovations & Service Delivery

CPA Anthony M. Njiru

0722 241 005

Dimensions of innovation

- Product/service innovation
- Process innovation
- Market innovation and
- Organizational innovation

Leveraging on Technology

Why Technology

Efficiency

Effectiveness

New Revenue streams

Convenience

Innovation

Growth



Need of cyber security

Cyber security is necessary since it helps in securing data from threats such as data theft or misuse, also safeguards your system from viruses.



Major security problems

- Virus**
- Hacker**
- Malware**
- Trojan horses**
- Password cracking**



Surviving During Times of High Inflation

Inflation Hits The Poor Hardest

- As the prices of essential goods and services rise sharply, the poor are the most affected. These are people in the low-income bracket. With only a small disposable income, the increase in prices of goods and services means they can only afford less of what they used to before.

- Secondly, inflation hits hard on people **with low** saving rates and those not invested in assets that tend to do well during periods of high inflation. And these are the poor people.
- A low income often corresponds to a low savings rate and an inability to purchase assets like Real Estate and Equities that tend to do well during times of high inflation

- **The best thing you can do is to be exceptionally good at something.**

- **Invest in Assets That Tend to Do Well During High Inflation**

If you own things that other people will want, no matter what is happening in the world, your purchasing power will likely remain intact

Frugality

- makes sense to cut your expenditure during times of high inflation. You should save more during times of high inflation and cut down on any unnecessary expenses.

Personal Wealth Management

CPA Anthony Muthee Njiru
0722 241 005

The Plan

Gathering
data and
goals

Analyzing
and
evaluating
your
financial
status

Developing
a plan

Implementing
the plan

Monitoring
the plan

DO YOU SAVE?

DO YOU INVEST?

Who Should Save?

Who Should INVEST?

Should I invest after employment?

When Should I save?

Investment & Entrepreneurship

CPA Anthony Muthee Njiru
0722 241 005

Broad Categories of Investments

- **Passive investments**
- **Active Investments**



or



What happened first ?



“Your financial freedom depends on nothing else but financial discipline.”

Power of & Need for Habit



Rules Of Personal Finance

- **Have a savings plan- Without a savings plan you won't reach the goals you'd like to achieve.**
- **Thou shall not spend more than you make**
- **Thou shall not keep up with “herd syndrome”- peer moves**

- **Limit your short term loan exposures**
- **Pay your monthly bills in time**
- **Avoid get rich quick schemes**
- **Prioritize your spending (needs vs. wants)**
- **Eliminate potentially damaging spending behavior**

- **Protect your self against risk**
- **Teach your children to save wisely-**
- **Plan for your retirement early**
- **Protect yourself legally- write a will**

Richest Man In Babylon

Lesson 1 : Passive Income

**“Income, that is the thing” ~ Bansir,
The Man Who Sought Riches**

Lesson 2 : Money Begins in Your Head

“A man's wealth is not in the purse he carries. A fat purse quickly empties if there be no golden stream to refill it.” ~ Kobbi, Friend of the Seeker

Lesson 3 : A Part of All I Earn is Mine to INVEST

“A part of all I earn is mine to keep” ~ Algamish,
The Money Lender

The Seven Cures for A Broke Bank Account.

Lesson 4: The First Cure: Spend Less Than You Earn

Lesson 5: The Second Cure:

Use A Budget to Control Your Expenditure “Who, my friend, would determine thy budget?” ~Arkad, The Richest Man In Babylon

What is a Budget?

“...a plan for the coordination of resources and expenditures”

Merriam-Webster Online Dictionary

Simply Put:

A budget is a plan for managing your money in a way that best meets your personal needs and wants.

Example Budget Module

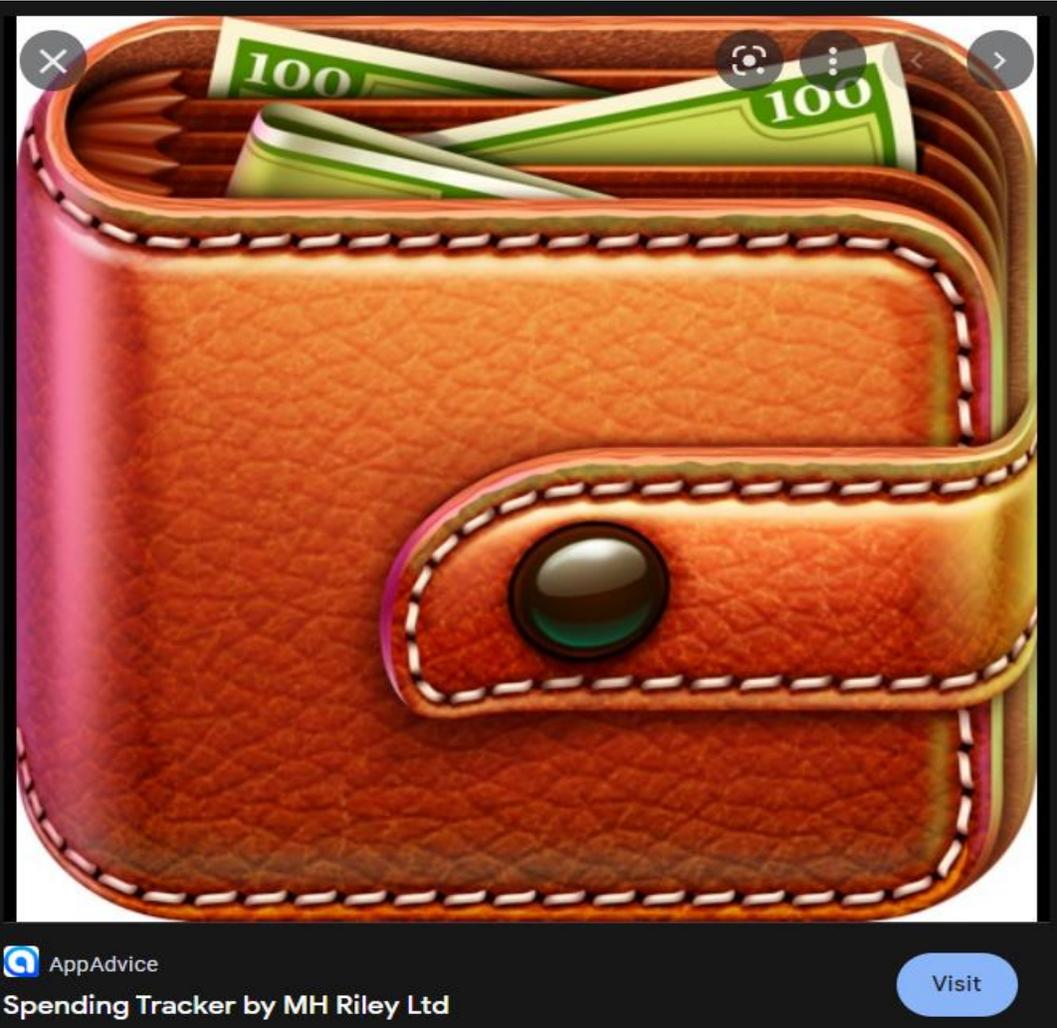
Use of 20:30:50

- **20% pay yourself first by investing**
- **30% Debt repayment or building capacity**
- **50% Expenses**

In the bucket for expenses pay the recurrent monthly expenses first.

Divide the balanced into weekly budgets

Track Your Incomes And Expenses



Lesson 6 : The Third Cure: Compound Interest

“If you will be wealthy, what you save must earn and it's children must earn...” ~Algmaish, The Money Lender

Compounding Dividends @ 9%



Year	Opening Balance	Annual Addition	Dividends	Closing Balance
1	-	24,000	2,160	26,160
2	26,160	24,000	4,514	54,674
3	54,674	24,000	7,081	85,755
4	85,755	24,000	9,878	119,633
5	119,633	24,000	12,927	156,560
6	156,560	24,000	16,250	196,810
7	196,810	24,000	19,873	240,683
8	240,683	24,000	23,822	288,505
9	288,505	24,000	28,125	340,630
10	340,630	24,000	32,817	397,447
11	397,447	24,000	37,930	459,377
12	459,377	24,000	43,504	526,881

No
Compounding
12 Years
Principal

288,000
25,920
49579

Compounding Dividends @ 13%



Year	Opening Balance	Annual Addition	Dividends	Closing Balance
1	-	78,000	10,140	88,140
2	88,140	78,000	21,598	187,738
3	187,738	78,000	34,546	300,284
4	300,284	78,000	49,177	427,461
5	427,461	78,000	65,710	571,171
6	571,171	78,000	84,392	733,563
7	733,563	78,000	105,503	917,067
8	917,067	78,000	129,359	1,124,425
9	1,124,425	78,000	156,315	1,358,740
10	1,358,740	78,000	186,776	1,623,517
11	1,623,517	78,000	221,197	1,922,714
12	1,922,714	78,000	260,093	2,260,807

No
Compounding
12 Years
Principal

936,000
Div = 271,296

Compounding Dividends @

10.50%



Year	Opening Balance	Annual Addition	Dividends	Closing Balance
1	-	300,000	31,500	331,500
2	331,500	300,000	66,308	697,808
3	697,808	300,000	104,770	1,102,577
4	1,102,577	300,000	147,271	1,549,848
5	1,549,848	300,000	194,234	2,044,082
6	2,044,082	300,000	246,129	2,590,211
7	2,590,211	300,000	303,472	3,193,683
8	3,193,683	300,000	366,837	3,860,519
9	3,860,519	300,000	436,855	4,597,374
10	4,597,374	300,000	514,224	5,411,598
11	5,411,598	300,000	599,718	6,311,316
12	6,311,316	300,000	694,188	7,305,504

No
Compounding
12 Years
Principal

3,600,000

Dividends
378000

767,078

Compounding Dividends @ 20%



Year	Opening Balance	Annual Addition	Dividends	Closing Balance
1	-	60,000	12,000	72,000
2	72,000	60,000	26,400	158,400
3	158,400	60,000	43,680	262,080
4	262,080	60,000	64,416	386,496
5	386,496	60,000	89,299	535,795
6	535,795	60,000	119,159	714,954
7	714,954	60,000	154,991	929,945
8	929,945	60,000	197,989	1,187,934
9	1,187,934	60,000	249,587	1,497,521
10	1,497,521	60,000	311,504	1,869,025
11	1,869,025	60,000	385,805	2,314,830
12	2,314,830	60,000	474,966	2,849,796

No
Compounding
12 Years
Principal

720,000

Dividends

144,000

- www.moneychimp.com/calculator
- www.bankrate.com/calculator

Lesson 7 : The Fourth Cure: Don't Lose Money

“There are only two rules of investing, 1. Don't lose money, 2. Don't transgress rule number 1.”
~*Warren Buffett, The Oracle of Omaha*

Lesson 8: The Fifth Cure: Own Your Own Home

“...Therefore do I recommend that every man own the roof (real estate with returns) that sheltereth him and his” ~ Arkad, The Richest Man in Babylon

Invest in real estate

Lesson 9 : The Sixth Cure: Invest in Life Insurance, Pension

“Provide in advance for the needs of thy growing age and the protection of thy family”~Arkad, The Richest Man in Babylon.

Lesson 10 : The Seventh Cure: Increase Thy Ability To Earn

The Man who seeks to learn more will be richly rewarded.

☐ The more wisdom we know, the more we may earn.

☐ And finally, if we practice these truths we will grow prosperous and wealthy. There is

abundance for all.

FIVE LAWS OF GOLD

I. Gold cometh gladly and in increasing quantity to any man who will put not less than one tenth of his earnings to create an estate for his future and that of his family.

II. Gold laboreth diligently and contentedly for the wise owner who finds it profitable employment, multiplying even as the flocks of the field.

III. Gold clingeth to the protection of the cautious owner who invests it under the advice of men wise in its handling.

IV. Gold Slippeth away from the man who invests it in businesses or purposes with which he is not familiar or which are not approved by those skilled in its keep.

V. Gold flees the man who force it to impossible earnings or who followeth the alluring advice of tricksters and schemers or who trusts it to his own inexperience and romantic desires in investment.

Tools

Money markets

SACCO Deposits

SACCO shares

Government securities

Rental Incomes

Mature Businesses



Money markets

The **money market** refers to trading in very short-term debt investments.



- Ideal for savings for emergency
- Low but reasonable returns in kenya around 7% to 9%

SACCO Deposits

- A long-term investment
- Provides leverage
- The greatest risk to this investment is governance and guarantor-ship.

Sacco Share Capital

- A long-term investment
- Recovery primarily only through dividends

Residential Rental Properties

- Rental property is the ultimate true backup of wealth
- A property investment is a zero sum game... It can either make you rich or poor



REAL
ESTATE

Housing

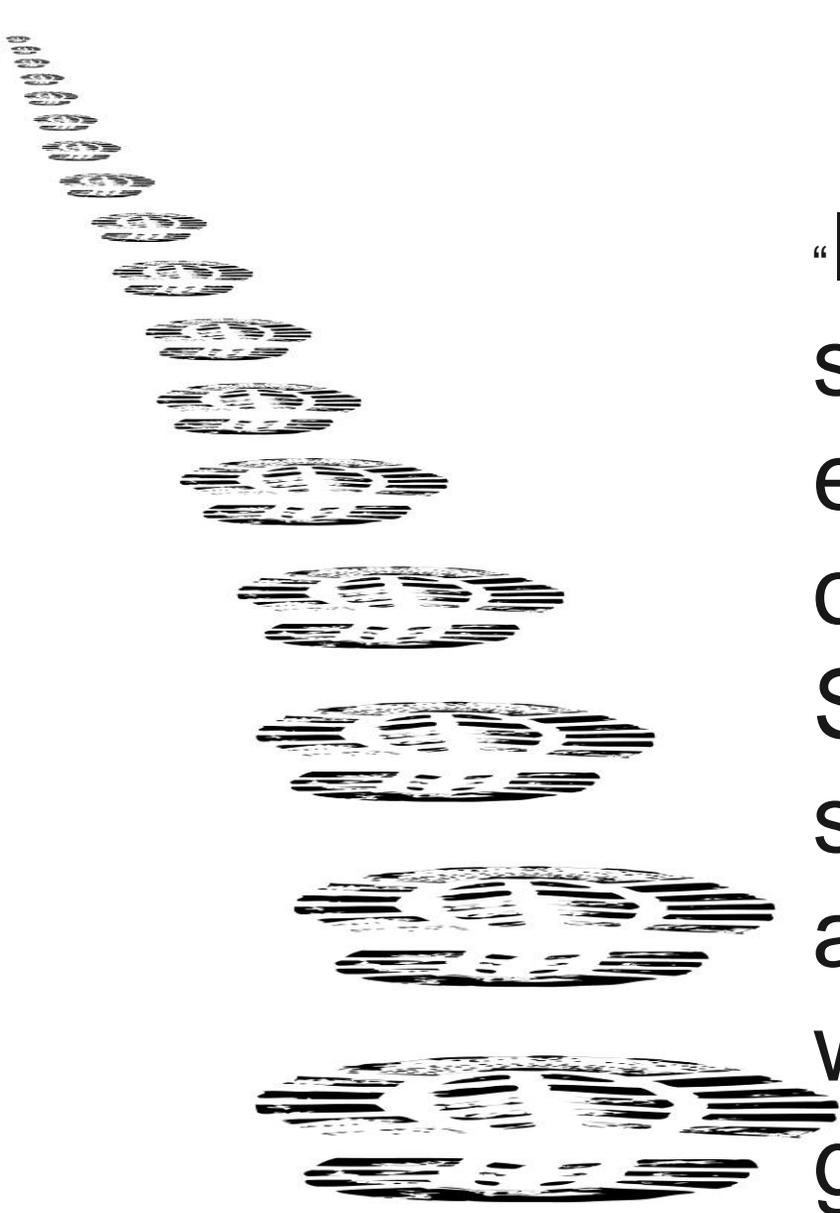
- Projects overshoot their budget
- Projects overshoot the time plan

- Rental properties will only generate income when complete
- You may never be 100% ready to start

Active Investment

Execution

is more critical than planning



“If a man is called to be a street sweeper, he should sweep streets even as a Michaelangelo painted, or Beethoven composed music or Shakespeare wrote poetry. He should sweep streets so well that all the hosts of heaven and earth will pause to say, 'Here lived a great street sweeper who did his job well.’” Dr. Martin Luther King



Your partner in
Team Building
Corporate training
Strategic planning
Policy formulation
Member Education

0722 241 005

