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Awach Saving & Credit Cooperative Society Ltd



# Awach SACCOS Ltd

Addis Ababa, May 19, 2018

# **Vision, Mission and Values of Awach**

- **Vision**

To be a World Class Premier SACCO in East Africa

- **Mission**

To empower members of Awach through savings, credit and other opportunities at competitive terms through prudent financial management to enable them achieve financial independence.

# Vision, Mission and Values of Awach

- **Values**

- Dedication
- Honesty
- Accountability,
- Transparency & integrity
- Team work
- Professionalism
- Equality
- Respect

- **Mottos Motto/Slogan**

- Saving is modernization. Save to change!

# INTRODUCTION

- **Awach** = profitable, feasible, viable, useful, expedient
- Awach is a community based, not for profit, Saving and Credit Cooperative Society
- Awach endeavors to reach out and serve the lower and middle class of the society
- Open for all (not employee/group bounded)

# Establishment of Awach

- Awach was established in March 2007
  - Just 11 years back
  - With 41 founding members (33 f & 8 m)
  - Initial capital: only ETB 15,236.00
  - Main founder and current General Manager
    - Mr. Zerihun Sheleme Erensa (Myself)
- First registration
  - Registered by Addis Ababa Cooperative Promotion and Regulatory Department
  - Registration no. 147/98

## Establishment, cont.

- Second Registration
  - At Federal Level – Sep 20, 2016
  - Registered by Federal Cooperative Agency (FCA)
  - Registration no. 005/09
- Competency Assurance
  - As per the Cooperative Societies Competency Assurance no. 018/2014
  - Awach is granted High level of competency assurance certificate
    - Valid for 3 years (from 4 Jan 2017 – Jan 3 2020)

# Members Size as of May 8, 2018

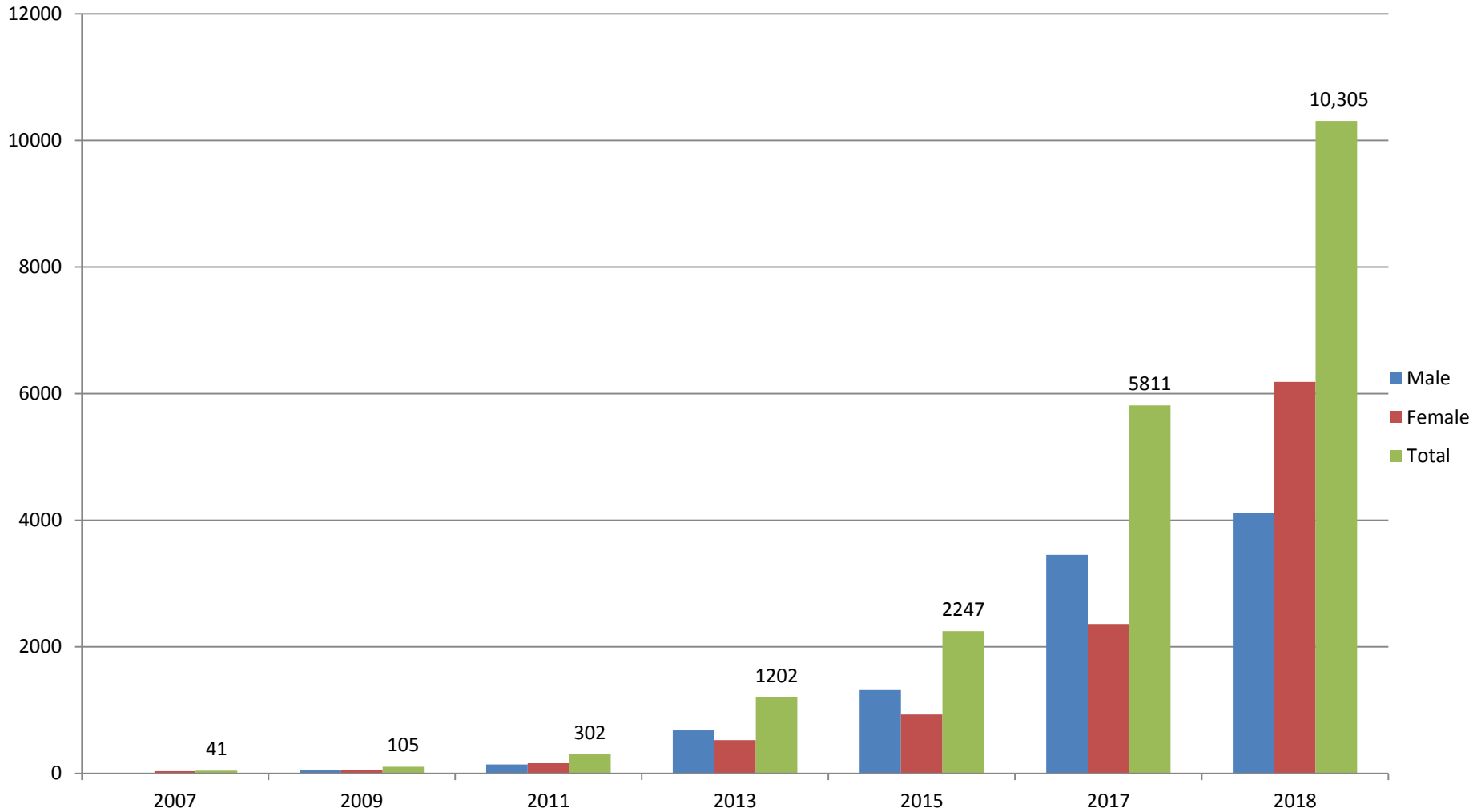
- Active members: 10,305
- Females 40% & Males 60%
  
- On average about 530 new members join Awach monthly (E.g., Feb 536, March 552 & Apr 538 new members were registered)
  
- On average 20 members per month leave off Awach
  - Change of settlement
  - Loan settlement, personal, and other alternatives

# Requirements for Membership

- Membership is open for all Ethiopians living in the operational area of Awach
- They have to be of full age (18 years)
- They have to be willing to abide with the rules and regulations of Awach
- They have to pay registration fee – ETB 1,000
- They have to purchase Minimum two shares – ETB 1,000 values per share
- They have to save first month regular saving – ETB 350
  - **Total = ETB 3,350 during registration**

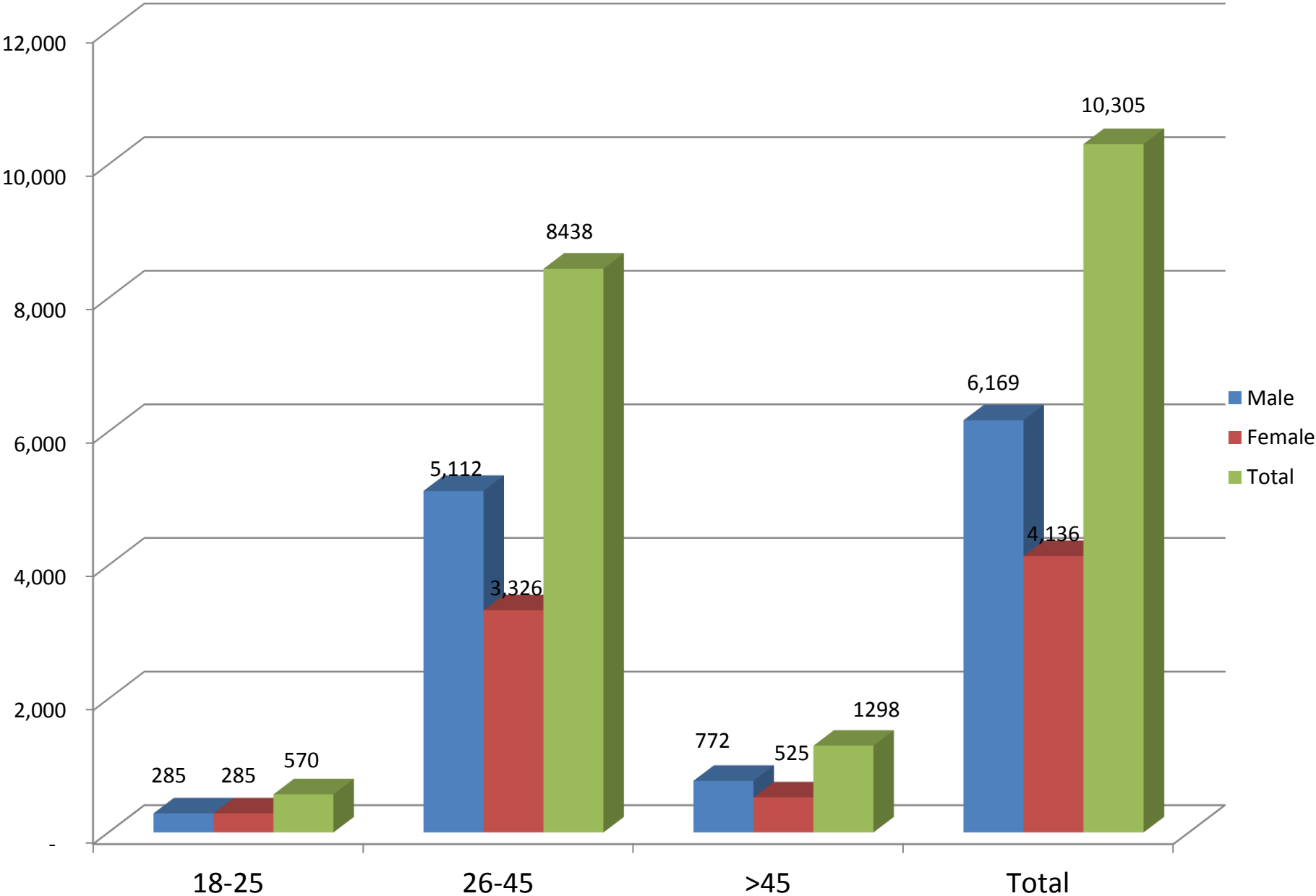


# Membership Growth (May 8, 2018)



Male	8	45	140	678	1316	3453	6,184
Female	33	60	162	524	931	2358	4,121
<b>Total</b>	<b>41</b>	<b>105</b>	<b>302</b>	<b>1202</b>	<b>2247</b>	<b>5811</b>	<b>10,305</b>

# Members Age Composition (As of Apr 30, 2018)



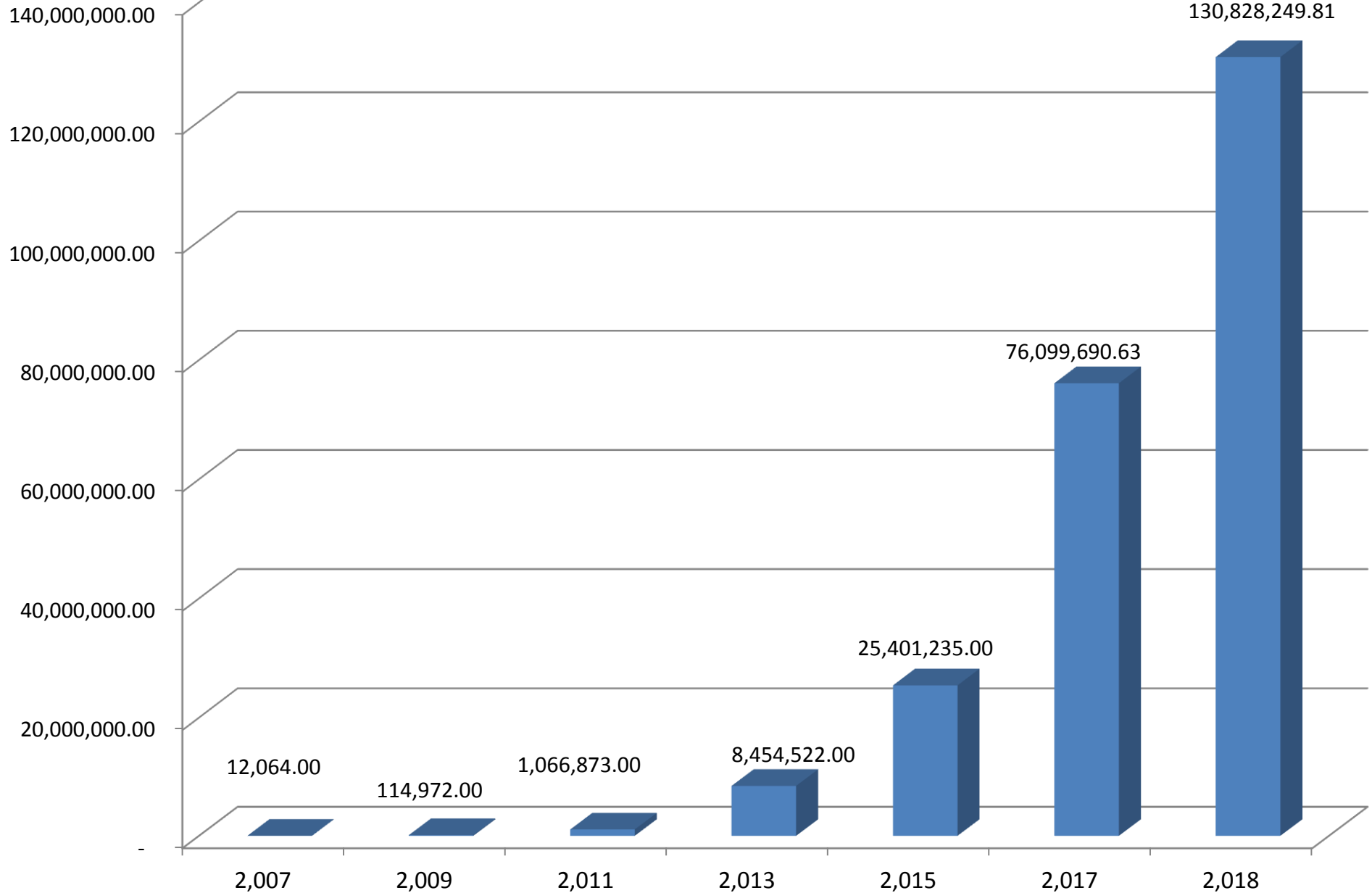
# Savings

- **Regular savings** – (non withdrawable)
  - ETB 350/month - mandatory
  - Or 10% of one's monthly income
- **Voluntary Saving** (withdrawable)
  - Members can save any amount at any time
  - But, saving only during loan request month is discouraged
  - This saving is withdrawable at any time if not used as collateral

# Savings (As 8 May 2018)

Saving type	ETB
Compulsory Saving	47,827,872.70
Voluntary Saving	82,493,151.39
Children's Saving	507,225.72
<b>Total</b>	<b>130,828,249.81</b> <b>(USD 4,845,491)</b>

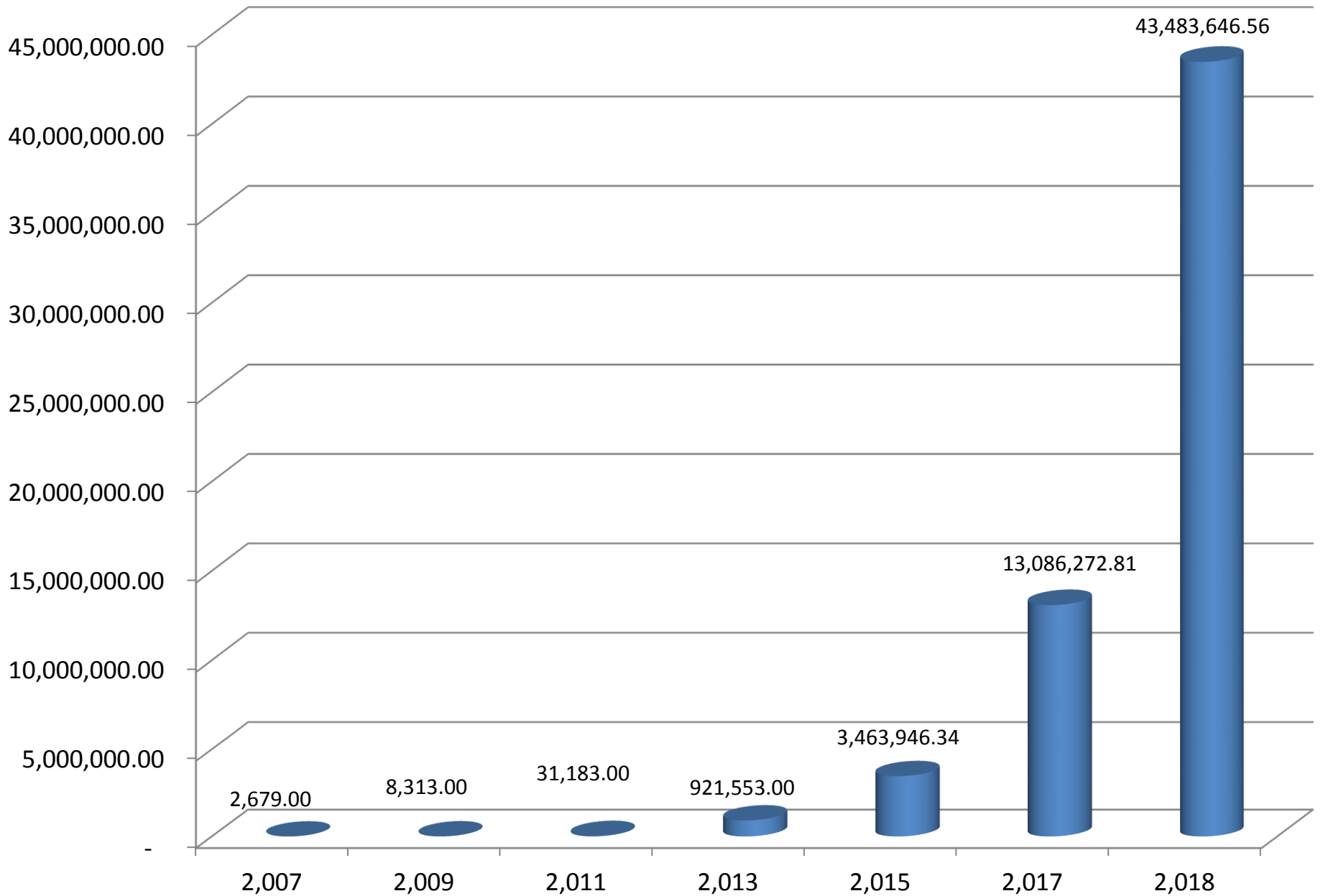
# Growth of Total Savings (May 8, 2018)



# Members Share Capital (as of May 8, 2018)

- Members Share Capital: ETB 43,483,646.56  
(USD 1,610,505.43)
- Leverage Ratio: 3.5 : 1  
(3.5 saving & 1 share ratio)

# Growth of Members Share Capital in ETB (May 8, 2018)



# Sources of Income of Awach

Source of Income	% (out of the total income)
Registration Fee	22 %
Loan interest	63 %
Bank deposit	1 %
Loan Service Fee	8 %
Others (including penalty)	6 %
Total Income	100 %

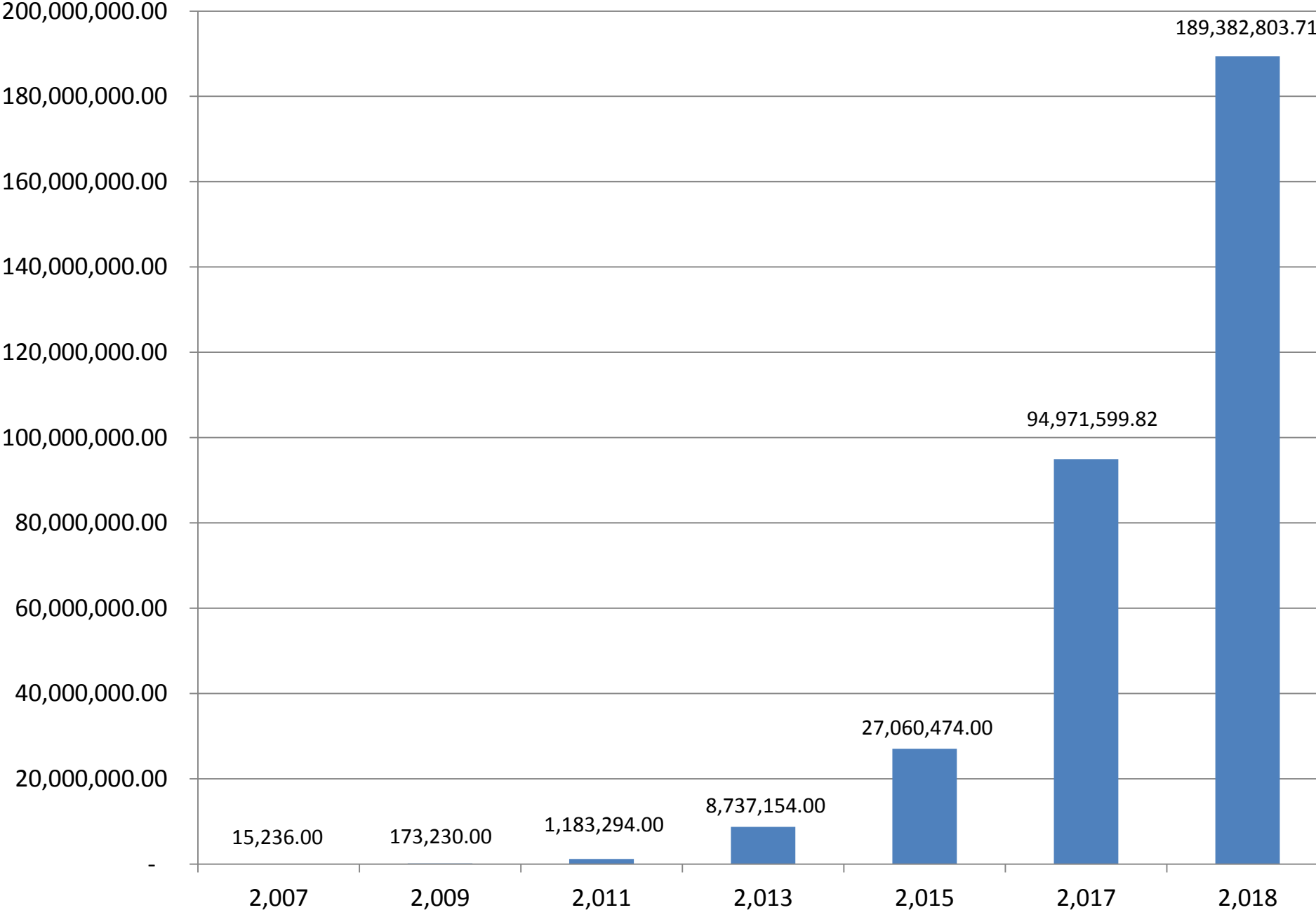


# **Total Asset as of May 8, 2018**

**ETB 189,382,803.71**

**(USD 7,014,178)**

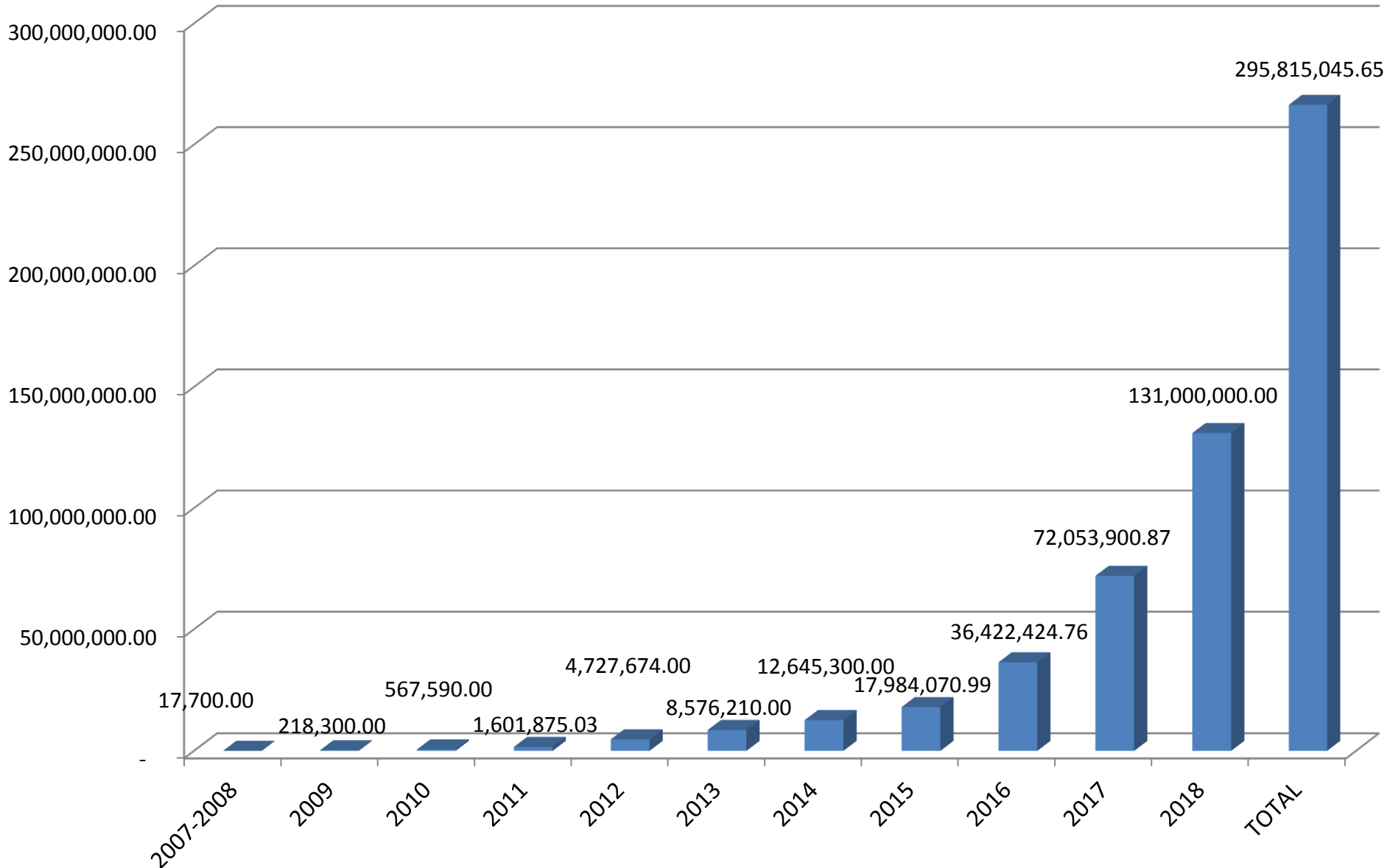
# Growth of Total Asset since establishment (May 8,2018)



# Loan Disbursed since Awach's establishment

- So far for more than 3,500 members are granted loan
- Total loan granted = ETB 295,815,045.65  
(USD 10,956,112.80)
- Loan repayment rate = **99.3%**

# Total Loan Disbursed to Members since establishment of Awach (ETB)



# Provision of Loan - Loan Requirements

- We provide loan only for members of Awach
- Members should develop good saving habit for at least 6 months before requesting loan
- They should possess satisfactory, measurable and legal security for borrowing.

## Provision of Loan , cont.

- Maximum repayment period is sixty (60) months
- Loan granted is four times the member's savings & share (regular and voluntary saving, + share)
- Granting of Loan is based on the Loan Cycles
- The maximum amount is ETB 200,000 for first cycle and ETB 400,000 for second cycle loan requests.

# Provision of Loan , cont.

- First time loan applicants can only be granted ETB 100,000 after saving the right amount for at least 6 months.
- To be granted ETB 200,000, first time applicants have to save for a year.
- In the second loan cycle applicants have to save for a minimum of two years to be granted ETB 400,000.
- Interest rate is 1.125 % per month (13.5% per year) on reducing balance (declining rate).
- The Management may grant loan beyond the cycle limit (but not above ETB 400,000) on some reasonable cases.

# Collaterals

- Member's savings and Shares
- Fully Insured Vehicles,
- Houses, and Land titles
- Government bonds and share certificates
- Co-signers



## Collaterals, cont.

- Every loan must be fully secured by a minimum of two guarantors.
- Unless the loan applied for is equal to or less than a member's non-withdrawable deposits, it must be secured by guarantors.
- The total non-withdrawable deposits of the borrower and those of the guarantor(s) must be equal to or more than the loan applied for.

## Collaterals, cont.

- An employee of any formal employer (GOs & NGOs) can be a guarantor for a member of the Society for a loan amount of up to ETB 50,000 if his (one or two employees) monthly salary is greater or equal to ETB 5,000.
- However, an additional guarantor who is member of the Society is required before granting the loan.

## Collaterals, cont.

- It is also possible to grant loans without security provided that the loanee has a guarantor/s with a total savings amount greater or equal to the loan requested.
- All the security offered as collateral for loans shall be dully perfected in accordance with the legal provisions.

# Collaterals, cont.

- All the security documents of ownership shall be submitted to the Society for safekeeping and charging in accordance with existing legal provisions.
- The titles to the securities offered must be clean: all government rates, rents and licenses must be paid up to date, and vehicles has to have full insurance coverage (not third party insurance)

# Awach in Corporate Social Responsibility

- We provide school fee for 50 children in Chancho rural town – in Oromia Regional State
- We provide support to – Cancer patient
- We provide support to orphan children - Raey Letiwlid Orphanage
- We construct Public Wash Rooms/Toilets – Addis Ababa sub city, Woreda 7

# National Development Participation

- Ethiopian Renaissance Dam - Bond
  - So far ETB 550,000.00
  - This year ETB 500,000.00
  - **Total: ETB 1,050,000.00**

**Thank You Very Much**