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A Partner With A Remedy For Financial Security

KENYA MEDICAL ASSOCIATION REGULATED NON - WDT SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

REF: KMARNWDT/ADMIN/2025/12/24

DATE: 24TH DEC. 2025

Dear Esteemed Member,

RE: PROPOSAL TO TRANSITION KMA SACCOS TO A REGULATED DEPOSIT-TAKING (DT) SACCOS

Happy Holidays!

As we approach the close of the year, the Board of Directors of Kenya Medical Association Regulated Non-Withdrawable Deposit-Taking SACCOS (KMA RNWDT SACCOS) takes this opportunity to extend warm season's greetings to you and your family. We wish you a peaceful, joyful, and restorative festive period, and we sincerely thank you for your continued trust, loyalty, and active participation in the growth of our Saccos throughout the year.

It is in this spirit of gratitude, reflection, and forward planning that we wish to share with you an important strategic matter concerning the future of your Saccos.

Over the years, KMA Saccos has grown into a strong, stable, and professionally governed institution. We now serve **over 7,000 members**, manage assets in excess of **KES 7 billion**, and operate under a robust regulatory and governance framework. This growth places the Saccos at a **strategic turning point**.

After careful consideration, benchmarking with peer institutions, and guided by our long-term strategic objectives, the Board is **considering transitioning KMA Saccos from a Regulated Non-Withdrawable Deposit-Taking (RNWDT) Saccos to a Regulated Deposit-Taking (DT) Saccos**, subject to member approval at the forthcoming **Annual General Meeting (AGM) scheduled to take place in the first quarter of 2026**.

Why This Matters to You as a Member

Transitioning to a DT Saccos would allow KMA Saccos to:

- **Offer enhanced banking-like services**, including transactional accounts, ATM and card services, mobile and internet banking, and real-time payments.

- **Introduce new and more responsive credit solutions**, including **salary advances** for short-term needs and **business-based lending** for pharmacies, clinics, and member-owned enterprises, with loan limits linked to verified business turnover.
- **Improve liquidity and funding stability**, enabling faster loan processing, flexible repayment structures, and more competitive loan pricing.
- **Enhance accessibility and convenience**, particularly for members practicing outside major urban centres and those in the diaspora, through digital and remote banking services.
- **Strengthen institutional resilience** through stricter SASRA DT regulatory oversight, enhanced risk management, and stronger capital adequacy requirements that safeguard member deposits.
- Position KMA Sacco for **future growth, innovation, and strategic partnerships**, while preserving our closed-bond identity as a as a medical professionals' Sacco.

Importantly, review of the Sacco sector demonstrates that institutions with strong capital bases, sound governance, reliable core banking systems, and growing transactional demand are best positioned to transition successfully to DT operations. Such institutions record improved savings mobilisation, increased member engagement, enhanced non-interest income, and stronger long-term sustainability under the Deposit-Taking framework.

Why the Time Has Come

Member needs and the financial services landscape have evolved significantly. Today's members increasingly require:

- Faster access to their funds,
- Integrated digital and transactional services,
- A single trusted institution that supports saving, borrowing, payments, and day-to-day financial needs.

Remaining a RNWDT Sacco limits our ability to meet these needs fully. The Board is therefore persuaded that **now is the right time** to evolve—deliberately, prudently, and in a manner that protects member interests—rather than risk stagnation in an increasingly competitive financial environment.

What Will Not Change

As your Board, we wish to reassure you that:

- Your **ownership of the Sacco remains intact**.
- The Sacco will **remain member-owned and professionally governed**.
- The **closed bond of medical professionals and their families** that defines KMA Sacco will be preserved.
- Member deposits and interests will be safeguarded under **stricter SASRA DT regulations**.
- The transition will be **phased, well-planned, and subject to regulatory approval**, supported by strong governance, risk management, and internal controls.

This transition represents an **evolution**, not a departure from who we are.

Member Engagement and Next Steps

In keeping with our commitment to transparency and inclusive decision-making, the Board will:

1. Continue sharing detailed information on the proposed transition.
2. Host a **members' webinar** to explain the proposal, address concerns, and receive your feedback.
3. Table a **formal resolution at the forthcoming AGM** for your consideration and approval.

Your participation in this process is critical in shaping the future of your Sacco. We encourage you to engage actively, ask questions, and take part in this important decision.

Details of the upcoming webinar will be shared shortly.

We thank you for walking this journey with us as we position KMA Sacco for the future.

Yours faithfully,



Dr. Vitalis Ogola
Chairman, Board of Directors

