

## ALL ABOUT DIVIDENDS AND INTEREST REBATES

Question	Answer
<b>What are dividends and interest rebates?</b>	Dividends are returns payable to ownership shares commonly referred to as the <b>share capital</b> you have with the Sacco while Interest Rebates are returns on <b>Alpha Deposits</b> i.e., the deposits used as a multiplier when applying for a loan.
<b>When are dividends and interest rebates paid out?</b>	The returns are paid out after the Stima DT Sacco's Annual General Meeting where the proposed rates are endorsed by the national delegates.
<b>What is dividend discounting?</b>	This is getting an advance against dividends to be fully paid after dividends payout. It is usually based on the previous year's payout and fully secured with the expected dividends.
<b>How will I receive my dividends if I have any and how can I know how much I will be receiving?</b>	All net payouts above Kes. 1,000.00 are paid into the prime account unless a member had requested for capitalization. Amounts less than Kes. 1,000.00 are automatically capitalized. Expected payments are communicated after the Annual Delegates Meeting.
<b>What does dividend capitalization /de-capitalization mean?</b>	This means re-investing net payouts either in full or partially back into their Share Capital or Alpha Deposits.
<b>Why are my dividends credited to my Alpha Deposit or Share Capital instead of my Prime account?</b>	This happens in case the net amounts to be paid are less than Kes. 1,000.00 or the member is not in good standing i.e., is a defaulter or has had some recoveries done from the two accounts.
<b>Do those members who have not finished buying the minimum shares able to get dividends?</b>	Yes. All members will get dividends regardless of the share capital status. Those with less than Kes. 25,000.00 are encouraged to capitalize to minimize the deficit.
<b>How are dividends and interest rebates computed?</b>	Dividends and interest Rebates are computed based on the weighted average on shares and deposits for the members during the previous financial year and paid as a percentage of the Share Capital or Alpha Deposits respectively.
<b>When does a financial year begin and end?</b>	Stima DT Sacco Society's financial year begins in December and ends in November of every year.
<b>What are the gross dividends and net dividends?</b>	Gross dividends are inclusive of taxes and processing fees. Net dividends are paid out dividends which are exclusive of taxes, processing fees and capitalized amounts.
<b>What determines the rates paid out as dividends?</b>	The rates are determined by the societies financial performance, surpluses, and regulatory approvals.
<b>Can my dividends be paid via M-PESA?</b>	Net dividends are paid directly into the Prime Account after which a member can withdraw to his or her MPESA through Stima DT saccos M-Pawa USSD- *489#
<b>How can I withdraw my dividends?</b>	You can withdraw dividends through M-Pawa USSD - *489#, over the counter in any branch, through Saccolink ATM card, from any Stima Mlangoni Agent or do an EFT/RTGS to another Bank Account.
<b>Are groups, joint and corporate members eligible to receive dividends and interest rebates?</b>	Yes. Groups, joint and corporate members are eligible to receive dividends and interest rebates like individual members.

<b>What happens if I don't withdraw my dividends?</b>	Your dividends will stay in the Prime Account and earn interest within the prime account.
<b>In case I have defaulted loans what will happen to my dividends?</b>	The dividends will be utilized to pay the funds due on the defaulted loans.
<b>How do I know how much has been paid to me?</b>	A text message is sent to your registered number with the details.