

Shosholozza Finance CC

CK 1997/023024/23

NCRCP 2711



PRESENTATION DOCUMENT



Background:

- ▶ Shosholoza Finance CC started operating in 1997.
- ▶ Operates from the Head Office situated in Bedfordview and a branch in Vereeniging dealing with Sedibeng District Municipality since October 2014.
- ▶ The owners of the business is Mr. Jimmy Sarkis and his son Mr. Warren Sarkis and they have a vast amount of experience in this industry.
- ▶ The branch in Vereeniging is managed by Johan van Straaten who has 30 years banking experience.



Background:

- ▶ Johan was employed at Nedbank for 30 years and has vast experience in the Financial Industry. Has been a branch manager for many years where the skills was acquired to deal with staff and their personal well being. The last 18 years of his career he was at Nedbank commercial dealing with all the financial requirements a business and it's staff may require. Johan has applied his knowledge at Shosholoza Vereeniging where we are assisting Sedibeng Municipality with their staff's financial requirements.
- ▶ We currently employ more than 60 staff from the underprivileged community and should we obtain the contract with Ekurhuleni this will create a further 10 jobs.



Company Profile:

- ▶ Shosholoza Finance is an independently owned micro lending close corporation offering unsecured short term micro loans, primarily in Bedfordview, Johannesburg.
- ▶ Since its inception in 1997 Shosholoza (which means 'go forward' or 'make way for the next man' in the Zulu language) has extended its business to approximately twenty two thousand clients over this period.
- ▶ Shosholoza Finance offers unsecured personal loans. It is a loan agreement that meets all the criteria as set out in section 39 (3) of the National Credit Act.
- ▶ Shosholoza Finance offers loans to their base of employers with 78% of the loans ranging on average between R500 and R8 000 and with an average loan size of R 1,618. Loans advanced are primarily granted for periods of one to three months. However, we do bigger and long term loans up to R 50 000.00 if the required criteria is met.
- ▶ The minimum requirements of Shosholoza Finance are for the clients to have a bank account facility and permanent employment as well as satisfying the affordability criteria as per NCR guidelines.



Company Profile:

- ▶ For the last 20 years, Shosholoza Finance has also been supporting 14 orphanage homes, providing food and financial contributions. We also have a soup kitchen that provides food for all our clients that come in to borrow money.
- ▶ Shosholoza Finance's social responsibility commitments demonstrate a continued interest in education and sports. The entity makes numerous donations to local schools and sponsors the Bedfordview Police soccer team.
- ▶ **Legal and industry statutory requirements**
- ▶ Shosholoza Finance is a registered credit provider. The national credit registration number as it appears on the certificate is NCRCP2711. The certificate was issued on 5 December 2007 and is renewed annually.
- ▶ We inspected the banking reports, compliance report, the assurance engagement report, schedules compiled during the due diligence and statements received from the members of the CC. We confirm that Shosholoza Finance complies with all the relevant requirements of the National Credit Act No. 34 of 2005.
- ▶ Shosholoza Finance trades as a Close Corporation (CC) and has a certificate issued by the Registrar of Companies and Close Corporations.



Company Profile:

- ▶ The entity also has a letter of Good Standing issued by the Compensation Fund (Compensation for Occupational Injuries and Diseases Act, 1993) issued on 12 October 2011.
- ▶ **Customer portfolio**
- ▶ The loan products that Shosholoza Finance offers is designed to provide short term financing to the lower income market segment experiencing temporary financial hardship due to unforeseen events such as death in the family, funeral costs, emergency health situations, unexpected home or auto repairs, school fees, etc.
- ▶ The client base is largely represented by the municipal workforce and employees of large retail stores due to the fact that these clients have steady employment income and their details are lodged with the respective HR-departments.
- ▶ Emergency loans refer to borrowing money and the funds are transferred to your account same day after you have applied. Emergency loans are ideal for those in need of emergency cash for an urgent expense. Whether it's for school fees, medical expenses or transport, sometimes we need a small cash injection to see us through an emergency situation. No matter how much we save for a rainy day, we never know when an emergency is going to strike and it is hard to know how much to budget for. An emergency loan can range from anywhere from R 500.00 to R 8 000.00 and you are allowed to repay this over 1 – 6 months. We transfer the funds directly to your banking account on the same day you have applied and have a pre- arranged amount deducted from your salary on a monthly basis.



Company Profile

- ▶ All garnish orders will be scrutinized and where the customer had overpaid, we will insist on a refund plus interest. Furthermore, we will check that that all legal proceedings were followed with the issuing of such orders.
- ▶ Consumers who have been garnished for a period of 5 years or over will be rehabilitated but of course, the debt does not disappear. We will also be able to assist with this debt if so required.
- ▶ We undertake to implement a range of measures to prevent over – indebtedness by lending responsibly. All internal consumer credit performance information, as well information available on credit bureaus will be considered when granting any credit. We will also diligently and accurately report to any company we agree to service in the prescribed manner and form.
- ▶ An affordability assessment, by taking into consideration the affordability guidelines issued by the NCR from time to time, will be completed to ensure all the financial means and obligations of the consumer can be met.
- ▶ We have in place clear internal policies and procedures regarding the treatment of debt review applications and the handling of complaints and disputes, as set out in the Code of Conduct of the National Credit Act that our employees and representatives have to adhere to in order to resolve financial distress and complaints ourselves, before referring any complaint to the NCR.



Company Profile

- ▶ Fees as laid down per National Credit Act.
- ▶ Administration fee of 15% of the capital for the 1st R 1000 thereafter 10% with a maximum of R 1050.
- ▶ 5% Interest on capital per month.
- ▶ 15% Vat on initiation- and service fee.
- ▶ R60 service fee per month.

- ▶ We are looking forward to the challenge of dealing with your company which has to be implemented in a holistic basis.

- ▶ Each and every person applying for financial guidance, whether it is in the form of a loan, advice or garnishee order will be dealt with personally and professionally.

- ▶ We will perform the task of financial adviser and planner; in other words they will have their own personal bank manager.

- ▶ Most people who have more than one debt (loan or loans) are heading for financial disaster. We intend to consolidate these loans where necessary and at the same time supply the customer with an emergency monthly loan, i.e. for food, transport, school fees etc.



Company Profile:

- ▶ We will to the best of our ability, try to improve our consumer's financial literacy and management by avoiding over – indebtedness, warning them about the negative consequences of being over – indebted and their rights.
- ▶ We will offer the following training to the consumers:
- ▶ Personal Budgeting – this aims to help the consumer manage their finances by drawing up a personal budget.
- ▶ Banking Products and Services – this aims to help the consumer understand banking services and basic products that are available to them.
- ▶ Benefits of Consumer Financial Education:
- ▶ Enables consumers to make more informed decisions about their finances and lifestyles.
- ▶ Offered free of charge to the consumer.
- ▶ Used as an enabler for the business.
- ▶ We also undertake to report statistical information to any company we agree to service annually as well as initiatives we have undertaken to promote consumer awareness and education.



Our Products and Services.

- ▶ Short term emergency loans.
- ▶ Debt consolidation only under exceptional circumstances and with prior approval from Ekurhuleni management.





Our Products and Services.

- ▶ Emergency Loans refer to the borrowing of money and these funds are transferred to your account very quickly after you have applied and the loan was approved. Emergency Loans are ideal for those in need of emergency cash for an urgent expense. Whether it is school fees, medical, transport etc. sometimes we need a small cash injection to see us through an emergency. No matter how much we save for a rainy day, we never know when an emergency is going to hit and it is difficult to budget for this. An emergency loan can range anywhere from R 500 to R 8000 and allow you to repay in monthly installments from 1 – to 6 months. These funds are transferred directly into your banking account and you have pre-arranged monthly installments deducted from your salary.
- ▶ All charges are in line with laid down rules as per National Credit Act.



Our Products and Services.

- ▶ **Fee structure** for short term emergency loans:
- ▶ Administration Fee of 15% on the Capital for the 1st R 1000 thereafter 10% with a maximum of R 1050.
- ▶ 5% interest on capital per month.
- ▶ 15% vat on initiation – and service fee.
- ▶ R60 service fee per month.
- ▶ Consolidation of loans refer to loans to are structured for amounts over
- ▶ R 8000 and term is longer than 6 months. These loans are used to:



Our Products and Services.

- ▶ To repay creditors like Edgars, Markham's, Jet Etc.
- ▶ To settle garnishee orders.
- ▶ Pay varsity fees, school fees etc.
- ▶ To help employees get out of administration.
- ▶ These funds are also been paid directly to the suppliers, attorneys you owe the money.

- ▶ Fee structure for consolidations:
 - ▶ Administration Fee of 15% on the Capital for the 1st R 1000 thereafter 10% with a maximum of R 1050.
 - ▶ Currently 27.5% per annum ..monthly 2.33% per month interest on capital per month the interest is currently repo rate (6.5%) plus 21%..
 - ▶ 15% vat on initiation – and service fee.
 - ▶ R60 service fee per month.



Other Services Provided:

- ▶ SureBank
- ▶ Naedo Debit Order Facility.
- ▶ Legal Advisor – Olivia



What are the benefits to you.

- ▶ By using Shosholoza Finance you are able to assist your employee's with their financial needs without managing the risk yourself.
- ▶ Shosholoza Finance has been in the industry for over 22 years and is a reputable business. Therefore you can be assured that your employee's will receive exceptional service that is backed by sound financial advice and administration.
- ▶ Peace of mind that your staff are not being over-indebted or burdened by loan sharks.



What are the benefits to you.

- ▶ Your employee's will receive quality service.
- ▶ Your employees will have access to personal financial advice on debt management.
- ▶ Happier employee's equal improved productivity.



Our key differentiator.

- ▶ Shosholoza Finance key differentiator is our ability to deliver uncomplicated products and services that are easy to use and understand within the employee solution market.

While risks do exist we manage it by ensuring that our products and services are:

- ▶ Fully compliant with current legislation (National Credit Act)
- ▶ Augmented by basic financial skills, tools and advice to manage their debt responsibly.



The National Credit Act (NCA) and our responsibility.

- ▶ We believe in providing financial services that are ethical and responsible.
- ▶ The National Credit Act's code of ethics forms a vital part of our business practise. We enforce this by conducting regular internal audits to ensure our customers are provided with a service that enriches their lives, and improves their financial status.



Existing Client Base

- ▶ City of Joburg, City of Ekurhuleni, Sedibeng, Emfuleni, Ethekwini KZN, Pick & Pay, Pick it Up, SAPS, City Power, Hyperama Checkers, Kelvin Power, Gauteng Health, Road Agencies, Transport and Water just to mention a few.
- ▶ Client base in the region of 24 000.





HEAD OFFICE CONTACT DETAILS



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