

CHAIRMAN' S REPORT FOR THE 40TH AGM (YEAR 2021)

Welcome

Distinguished Co-operators, Invited Guests, Ladies and Gentlemen, all protocol observed; good morning. On behalf of the Board of Directors of Wana-Anga Sacco, it is my great pleasure to welcome you all to our 40th Annual General Meeting which we shall be holding virtually. This will enable members stationed in every county and diaspora to attend and participate in deliberations on the progress, performance and future of the society. I would like to begin by thanking the Almighty God who has protected us throughout year and enabled us to meet today. I regret to inform you that during the year eight members passed on.

Preamble

In March 2020, the first case of COVID 19 was reported in Kenya leading the Government to institute measures to curb the virus. One of the measures was suspension of all public meetings. During the last AGM the Society successfully held the first virtual AGM and members recommended that this might be the way to go since it enabled members in every corner of this country and in the diaspora to attend. Some members are still of the view that we should revert to physical meetings, a decision I will leave to the AGM to decide.

In the year 2021 COVID remained a big challenge to our members especially those in the informal sectors since their businesses were adversely affected. Some have been struggling to repay their loans while others opted to withdraw from the Society.

Membership

Wana-Anga Sacco recorded a slight decline in membership from 3941 in 2020 to 3923 members at the end of the year 2021. However, out of the 3923 registered members 3498 are active while 425 are dormant. I take this opportunity to urge the dormant ones to activate their respective accounts to qualify for the benefits and privileges of full membership.

The decline in membership was mainly attributed to members who retired from formal employment and opted to also retire as active members of the society. The Board urges the retiring members to retain their membership instead of opting to withdraw from the SACCO.

Capital Adequacy

The Society met all the statutory and regulatory requirements in capital adequacy ratios except the Institutional Capital to Total Assets Ratio which stood at 6.87% instead of the Bench Mark requirement of 8%. However, it is worth noting that this ratio improved from 6.59% in 2020 to 6.87% in 2021. The Board has put the necessary measures in place and is determined to hit the required target by end of the current Financial Year.

Members Shares and Deposits

Members share capital increased from Kshs. 98,198,045.00 in 2020 to Ksh 100,505,373.00 in 2021, while the deposits grew from Ksh 1,044,245,650.00 in 2020 to Ksh 1,052,689,060.00 in 2021. However, it was

observed the average member savings stood at Kshs. 268,337.00 which is comparatively low. *The Board recommends that members increase their savings with the Society.*

Loans to Members

During the year 2021, 2,153 loans were approved with a total value of Ksh.586,299,859. These loans have helped individual members and made a significant contribution to the growth of the SACCO. Due to travel challenges occasioned by COVID19, the SACCO allowed members to make email-based loan applications where a significant number of loans were applied through online.

During the year, a significant number of members were unable to service their loans, hence falling into default category. I wish to thank those members who serviced their loans as expected and urge the ones who are facing challenges in loan repayment to visit the Sacco and re-negotiate their contracts since we are a caring and listening Society.

Further, I wish to inform members that;

1. The SACCO is introducing the online loan processing, whose training was conducted earlier on, in which members will be able to fill the forms and solicit for guarantors online. However, all the requisite due diligence will be performed before the loan is approved and disbursed,
2. The SACCO has engaged the Debt Collector cum auctioneer to help us recover defaulted loans,
3. The Society is pursuing the possibility of use of collateral as loan security.

Capacity Building and Education

To improve operational efficiency and build Board and staff capacity, Board Members, Supervisory Committee and staff attended various seminars and workshops. Due to challenges related to COVID19, the Society was unable to hold an Education Seminar. However, we continued creating members awareness through marketing initiatives and the Sacco portal.

WANAMECO

The Society noted that during the year the claim rate had increased due to the prevailing COVID situation. In view of the increased claims, the Society was forced to revise the benefits payable to the members and this was communicated to all the members. Taking into account increased claims viz a viz the overall contributions from members, it has been noted that this product is not sustainable. In the year 2021, the Board had to make a drastic decision to reduce maximum amount one could claim due to the increase in claims which was giving a trend of depleting the amount contributed.

To ensure that the cover remains sustainable and that members and their registered dependents continue to benefit during hospital admissions, the Board recommends an increase in monthly contributions

Exit Benevolent Fund (EBF)

This cover caters for claims upon death of the primary member and/or their registered dependents. It also benefits members who exit the Sacco after contributing continuously for at least 15 years. During the year, the Sacco had 25 BBF claimants for bereaved members, with claims paid amounting to Ksh 1,160,000.00 and 24 claims amounting to Ksh 960,000.00 for members who exited the Society.

On the EBF Policy and to be inline with the best practices, I wish to highlight the following;

1. Contributions to this Scheme are *non-refundable*,
2. The Cover is non-transferable and benefits will only cater for registered members/dependents,
3. A one-off financial benefit will be given upon death of the principal member, spouse or dependent. To benefit, a member must have contributed *continuously for a minimum period of six months prior to the claim*,
4. The claim must be submitted within three months after the death and the following documents will be required upon submission;
 - a) Duly completed claim form,
 - b) Certified copy of death notification/certificate or Burial Permit from the registrar of persons,
 - c) Copy of the deceased ID or Birth certificate in case of a child,
5. Upon exit from the membership after having contributed continuously for 15 years, a member will be entitled a benefit of Ksh 40,000.00
6. Upon death of Principal Member, Spouse or Dependent the following should be administered; Upon death the benefits are;
 - a) Ksh 100,000.00 for the principal member,
 - b) Ksh 20,000.00 for dependents (spouse, children, parents and parents in law). *Previously parents in law were not being covered.*

We also noticed that some members seem not sure of the dependents they have covered only for them to realize that they had not covered them upon bereavement. *We recommend that members register all their dependents including parents' in-law since this cover is not transferrable.*

Staffing

The Society has maintained a lean staff of 11 even with increasing workload. During the year 3 staff members were suspended due to professional misconduct. As a temporary measure the Board engaged two (2) interns to lessen the workload. The Society will be embarking on a process to competent additional staff through a competitive process.

Appreciation

On behalf of the Board of the Directors, Supervisory committee, and Wana-Anga Management team, I sincerely thank the Director of Meteorological Services and Patron of the SACCO for the continued support, members for their dedication, Ministry of Cooperatives and SASRA for the cooperation we had throughout the years.

May the Almighty God richly bless every member of the Society.

Nicholas W. Maingi
Chairman,
Wana-Anga SACCO Ltd