

CHAIRMAN' S REPORT FOR THE 42ND AGM HELD ON 22ND MARCH 2024 AT IMTR HALL INSIDE KENYA METEOROLOGICAL DEPARTMENT

Distinguished Co-operators, Invited Guests, Ladies and Gentlemen, good morning. I would like to begin by thanking the Almighty God who has protected us throughout the year and enabled us to meet today. On behalf of the Board of Directors, the supervisory committee and the staff of Wana-Anga Sacco, it is my great pleasure to welcome you all to our 42nd Annual General Meeting which is being held today both virtually and physically for all to attend. As agreed in the past AGMs, holding the AGM in this manner enables members stationed in every county and diaspora to attend and participate in the deliberations, since as is our principle, we don't want to leave any Member behind.) Delete. I specifically also would like to acknowledge and thank all new members who joined us in the year 2023 and early this year and assure them that, they have made a good decision to join the Rising Star.

As the Board, we are pleased to present to you the overall governance, financial and operational report for Wana-anga Sacco Ltd for the year ended 31st December 2023.

Deposit-Taking

The Sacco Societies Regulatory Authority has licensed 175 Saccos to take deposits and do business in Kenya as at the end of 2023. These Saccos are referred to as DT (Deposit Taking) Saccos. It is important to know that the Society fulfilled all requirements and obtained its license. Despite the economic slump in 2023, increased taxes, and new levies that weakened members' borrowing power, the Society was able to register impressive financial performance as shown by the Audited Accounts of the just ended Financial Year 2023.

Membership

Wana-Anga Sacco recorded a slight decline in membership from 3,938 in 2022 to 3,337 members at the end of the year 2023. However, out of the 3,337 registered members 2,685 are active while 652 are dormant. I take this opportunity to urge the inactive/dormant members to activate their respective accounts to qualify for the benefits and privileges of full membership. **Please note that as per the Wana-anga By-laws, defaulters and inactive/dormant members are not entitled to elect leaders in an AGM.**

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 and those who were compelled to exit due to personal reasons. The Board urges the retiring members to retain their membership instead of opting to withdraw from the SACCO.

Staffing

The society currently has a workforce of 12 staff members which include an ICT Assistant who was recruited in the course of the year. The Society also received attachees and interns in the course of the year and I am glad to report that the staff continue to discharge their duties effectively and diligently.

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 7.05 % instead of the Bench Mark requirement of 8%. However, it is worth noting that this ratio has continued to improve from 6.98% in 2022 and 6.87% in 2021. We as the Board are striving to ensure that compliance is achieved in all the requisite Financial Ratios.

Members Shares and Share Deposits

Members share capital increased from Kshs. 103,106,978 in 2022 to Ksh 109,854,100 in 2023, while the deposits decreased from Ksh 1,002,277,480 in 2022 to Ksh 989,199,366.00 in 2023. The decrease may be attributed to the increased number of members who exited from formal employment and some who resigned due to the harsh economic times.

On a positive note, it was observed the average member savings stood at Kshs. 296,433 in 2023 compared to Ksh 268,337.00 in 2022. We commend those Members who have adopted a good a savings culture despite the harsh economic times. On the other hand I urge all members to increase their shareholding and share deposits in Wana-anga. This is the only way members can be guaranteed of higher returns and cheaper loan products.

The Board is recommending that the minimum monthly share deposit contribution be increased from the current Ksh 1,000 to Ksh 2,000 as the Sacco explore other avenues of resource mobilization.

Amended Wana-anga Election Policy and Indemnity of Board Members.

Over the years the Sacco has grown and today Wana-anga is placed in the category of billionaire Saccos in the country and classified as Tier2 Sacco. It has therefore become necessary that the indemnity of Board of directors be increased from the current Ksh 500,000 to Ksh 1,000,000. Subsequently all Board members need to have a minimum of Ksh 1,000,000 as their Share deposit. The Election policy has therefore been amended such that any Member seeking to be elected as a board member of Wanaanga must have a minimum of Ksh 1,000,000 share deposit by 31st December of the preceding year. This new clause will be applied effectively 1st January 2025

Loans to Members

During the year 2023, the loan book grew from Ksh 910,159,859 in 2022 to Ksh. 927,429,340. However, the delinquent loans increased from Ksh 77,332,770 in 2022 to Ksh 89,134,129 in 2023. The ratio of non-performing loans to performing loans stood at 9.61% which is way above the recommended of below 5%. We urge all Members to service their loans since the delinquent loans deny the Society revenue, inconvenience the guarantors and also cost the Sacco in provisioning for loan losses.

Further, I wish to inform members that;

1. As part of embracing technology in our operations, the SACCO has introduced the online loan processing that allows members to fill the forms and solicit for guarantors online. However, all the requisite due diligence is performed before the loan is approved and disbursed,
2. The SACCO engaged several Debt Collectors and small claims court to help us recover defaulted loans,
3. The Society introduced the use of collateral as loan security;

Capacity Building and Education

In our endeavor to continuously improve, the Board Members, Supervisory Committee and staff attended various seminars and workshops. We intend to hold member education in the first half of this year.

Next of Kin Forms

It has come to our attention that several Members have not updated their next of kin details. This complicates the processing of member's benefits in the unfortunate case of death thereby forcing the Society to remit such benefits to the Unclaimed Financial Assets Authority(UFAA). UFAA is mandated by the Unclaimed Financial Assets Act, 2011 to receive remittances from holders of all moneys that become or are deemed to be unclaimed assets and other payments required by the Act, or by any other written law. Payments are also made out of the Fund to rightful owners of unclaimed assets once identified. I kindly request that every Member update their records with the office. Going forward members may be denied services unless they have updated their next of kin details.

Strategic Plan, 2024-2028

Following the expiry of the previous strategic plan for the period 2018 to 2022, the Society embarked on the process of developing a new plan. The Strategic Plan (SP) 2024-2028 is a key milestone and is a road map to growth in the four pillars of focus namely; Finance, Internal Process, People (Human Resource) and Customer. In the SP, we have set targets that are achievable and will be accomplished through sustained

application of our collective energies, enterprises and adaptability. The SP was preceded by a customer satisfaction survey.

WANAMECO

The Sacco continues to provide the medical cover and is in the process as per the strategic plan to register an insurance agency to offer re-insurance services.

Exit Benevolent Fund (EBF)

In the last AGM, The Society reviewed the EBF Policy and resolved that the cover be made non-transferable and only cater for registered members/dependents. It was also agreed that Members update their records and register the dependents at the following rates;

- a) Primary Member at Ksh 200 per month;
- b) Spouse(s), parents (including parents in law) and children aged 25 years and below at Ksh 100.00 per dependent.
- c) Benefits
 - i. Ksh 100,000.00 for the principal member,
 - ii. Ksh 20,000.00 for dependents (spouse, children, parents and parents in law).

Some Members are underpaying and we request them to update their records and payments in accordance with the revised policy.

Latest Products in Wana-anga

This week the Board launched and commissioned the popular **Mobile loan application (WANA-PAP)**. At the comfort of where a member is, using your mobile phone one can apply for a small amount of urgent mobile loan at any time. One is required to repay the full amount before applying for another mobile loan.

The Board has also discussed and agreed to launch very soon the online **Wana-anga Share Trading platform**. This will offer excellent opportunity to members who wish to sell their shares to connect with other members online who are willing to buy the floated shares.

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.

Charles M. Ngunjiri
Chairman,
Wana-Anga SACCO Ltd