

# **CHAIRMAN'S REPORT TO THE WANA-ANGA SACCO'S 41<sup>ST</sup> ANNUAL GENERAL MEETING HELD ON 14<sup>TH</sup> APRIL 2023**

## **INTRODUCTION**

It's my great pleasure to welcome you distinguished members, invited guests, fellow Board members, ladies and gentlemen to yet another AGM. As the SACCO Board, Supervisory Committee and Management members, we wish to extend our appreciation to all our members and stakeholders for the support and co-operation you accorded us during the year under review.

Dear members, I am delighted to present to you the highlights of our annual report for the year ending 31<sup>st</sup> December 2022.

## **MEMBERSHIP**

SACCO membership has continued to grow at a slow pace. During the year under review, we experienced stagnation in membership where 105 new members were recruited and 44 Members withdrew from the SACCO due to mainly retirement from their place of work. A total of 199 members were declared dormant as is required by the Law. The Board urges the retiring members to retain their membership instead of opting to withdraw from the SACCO, since the SACCO has developed new friendly products.

The resignation from membership lowered our members' deposits from KES. 1,052,689,060 in 2022 to KES. 1,002,277,480, although our Share capital increased from KES.100,505,373 in the year 2022 to KES. 103,106.978, mainly due to the new membership.

## **LOAN PERFORMANCE**

Loans to members stood at KES. 910,159,859 of which a total of KES 544,103,689 being what was taken during the year under review. The total number of loan applications was 2,224 in number of which 607 applications totaling to KES 52,817,485 were done online from October to December.

Following engagement of Debt Collectors to follow-up on defaulted loans, we managed to recover KES. 10,375,871 of loans defaulted, however the default rate remains high and members are urged to service their loans as per the contractual terms.

To enhance loan uptake, the SACCO introduced loan products with longer repayment period of up to 96 months and use of collateral as security.

## **SACCO'S FINANCIAL HEALTH**

As at December 31<sup>st</sup> 2022, the total asset base of the SACCO stood at KES. 1,271,749,496 down from KES. 1,319,265,450. The Core capital increased from KES 187,762,298 in 2021 to KES. 191,855,108 in 2022. The total revenue dropped by 0.684% which was attributed mainly to the low intake of loans.

The SACCO has continued its efforts to improve the institutional capital ratio with an increase of 0.24% to 6.98%. This is still below the SASRA requirement of above 8% and the Board will endeavor to continue this growth to comply with the statutory and regulatory requirements.

## **MEMBERS' EDUCATION**

The SACCO provided education and training to members, Board and Supervisory Committee members and staff so that they can contribute effectively to the development of the Society. With the introduction of virtual meetings, more members were able to participate in these meetings. These education forums have provided the platform for members to share their experiences learnt from successes, failures and setbacks. Going forward, the SACCO will endeavour to take advantage of technology to advance continuous member education.

## **EXIT AND BENEVOLENT FUND (EBF)**

As agreed in the last AGM, the cover for dependents was increased from KES 20,000 to KES 50,000 and members were requested to update their records and cover all dependents at KES 100 per month for each. However, we have noted that most members are yet to comply and we request that we all do so. The cover is not transferable and will only be paid against the registered and covered next of kin.

## **WANAMECO**

During COVID-19 pandemic, the Society was forced to reduce the benefits due to increased claims resulting from members' hospital admissions. I am pleased to inform you that the claims have now reduced and therefore the SACCO will be reverting to full benefits with effect from May 2023.

## **HUMAN RESOURCE**

As promised in the last AGM, the SACCO has now recruited four additional staff to enhance the provision of operational services. The current staff workforce now stands at 12.

## **EMERGING ISSUES**

1. As a requirement by the Laws of the Kenya Government, the SACCO has registered with the Office of the Data Protection Commissioner (ODPC) which ensures members personal data is adequately protected.
2. Since implementation of our digital SACCO financial system in 2008, the SACCO has not had it audited. In the year under review, we conducted a System Audit which helped us check for vulnerabilities and loopholes to enable us improve the productivity, efficiency and efficacy of the system. As a requirement by the Regulator, we will be conducting these audits every two years.
3. The Society improved the online loan application system to facilitate members get guarantors anywhere within the country and beyond, and also reducing fraud cases mainly with guarantorship. The SACCO continues to embrace online services, efforts are being made to securely transform to online banking services.
4. Wana-anga SACCO has been housed by the Kenya Meteorological Department since its inception in 1979 and notwithstanding the growth of the SACCO where operational demands are increasingly changing, we are still occupying the same small office. The Board is of the opinion

there is need to start thinking of owning an office space which in future members can be proud of. The Board is requesting for members approval for us to scout for various options and once we have done the due diligence, we will call for special meeting to present the findings to enable us actualise the process. I wish to reiterate that this will only be undertaken after the members resolution on this matter.

## **APPRECIATION**

I now take this opportunity to express my appreciation to the Board and Supervisory Committee members for the support in steering the Society. I am also thankful to YOU members for the privilege of being your Chairman. Fellow Co-operators, Wana-Anga SACCO would not be where it is without the support of our staff who have done a commendable job in running the SACCO's operational activities.

Lastly, we would like to recognize and appreciate the support of the Patron of the SACCO and Director, Kenya Meteorological Department, friends in the SACCO sector; the Cooperative Officers from the Ministry, SASRA our regulator, KUSSCO, CIC our insurers, our Bankers, Cooperative Bank of Kenya and others who have contributed to our achievements in the year 2022.

**THANK YOU! GOD BLESS US ALL AND LONG LIVE WANA-ANGA SACCO**