SAWA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
PO BOX 46143 -00100
NAIROBI

MINUTES OF THE VIRTUAL AGM MEETING HELD ON SATURDAY, 10TH APRIL 2021 FROM 10.05AM TO 1.00PM

The meeting commenced at 10.05am with a word of prayer from a member, Linet Akinyi. A minute of silence was observed in honour of departed member, Agnes Furaha Hamisi.

Min 1.0-Reading the Notice calling the meeting.

Anthony Mwikia, the Hon. Secretary, Sawa Sacco Ltd, read the notice calling the meeting and introduced the Board of Directors, Supervisory committee, Branch representatives, Sawa Sacco employees, the auditors and the CCO's Representative.

- ***Min 2.0-*** **Confirmation of last years' minutes.**

A member Linet Orembe proposed the minutes as a true representation of what was discussed in 2020 AGM and was seconded by David Mugwe. The Secretary took members through last year's minutes page by page and there were no issues reported on matters arising from the minutes.

- ***Min 3.0-*** **Chairman's Report**

Chairman's Statement 2020

The Board of Directors of SAWA Sacco Society Limited is pleased to present results of the financial year ended 31st December 2020.
As we gather today on this propitious occasion of our Annual general meeting though online. It's yet another opportune moment to celebrate our collective achievements and shared dreams as SAWA SACCO family.

It’s another valuable point in our journey together to chart our common future as a family of investors. Your board and the dedicated team of staff are tremendously honored to have steered our society this far

Operating Environment

2020 was generally a tough year for most people and businesses in Kenya and the world at large. There was loss of jobs which affected some of our members, leading to diminished ability to save and termination of membership.

However, we urge all of you, cherished members, to exploit affordable credit products offered by your society and make SAWA SACCO your financial partner of choice. We are aware of cases of some of us who have had nasty experiences with some lenders and the SACCO was at hand to offer rescue. Our prayer is that such bitter encounter don’t fall upon any of us again.

We remain committed to the welfare of our members especially during this unprecedented covid -19 times which remains the major risk affecting the business environment. To shield our members from the adverse effects of this pandemic, the Sacco will continue issuing loans to members and we shall be reviewing case by case for members adversely affected by the crisis.

The Cooperative Coronavirus Response Committee reported that at least 8o% of cooperatives and Sacco members have either lost their jobs or closed business due to the Covid 19 pandemic.

Inflation went up to 5.62 at the close of 2020. A rise in inflation negatively affects the purchasing power of citizens. The high cost of living associated with the rising inflation hurts the ability of our members save and service loans also hampers our efforts to recruit new members.

Past experience has shown that heightened political activities as we are witnessing now tend to negatively impact the growth of economy. Our hope and prayer is that it will not be the case as we progress into 2021.

Regulatory changes and compliance

New regulations aimed at enhancing management of Non-deposit taking cooperatives with deposits of at least kshs 100 million developed by SASRA are to take effect this year-30/6/2021. Our Sacco actively took part during the public participation stage of the regulations and I can report that SAWA SACCO is in process of meeting the standards laid down.

The Sacco by-laws shall be reviewed in line with prevailing legislation and when ready we shall present them to you for approval.

Technology

We are in a world where information and communication technologies are evolving by the minute. ICT is such an integral part of our lives today that you ignore it at your own

peril. As a society, we continue to invest in the best technology to ensure efficiency in service delivery.
We promised you, our dear members' mobile services by end of 2020. This was, however, not achieved. We embarked on first broadening our knowledge on how other societies are dealing with ever-present threat of cyber security as the incidences of cybercrime are on the rise, especially in Saccos.
We are confident that by end this year most of that will be up and running and we will have a special occasion to launch the new system once we go live, we plead for your patience.

Financial Performance

The Sacco achieved very competitive results despite the fact that we did not have the land project during the period under review.

Highlights

Total assets grew from Ksh.322.7 million in 2019 to Kshs.324.4 million in 2020; members' deposits grew from Ksh.262.2 million in 2019 to Kshs.278.6 million in 2020; loans to members decreased from Ksh.311.3 million in 2019 to Ksh.297million in 2020; dividend income grew from Ksh.515, 196 in 2019 to Ksh.523, 445 in 2020 as a result of capitalization of previous year's dividends. Share capital grew from Kshs.2 million in 2019 to Ksh.2.6 million in 2020. Active Membership decreased from 463 in 2019 to 453 in 2018 as a result of the pandemic. Total revenue grew from Kshs.33.2 million in 2019 to Kshs.34.7 million in 2020; while total operating expenses decreased from Ksh.8.5 million in 2019 to7.0 million in 2020. Interest Income distributable to members grew from 21.8 million in 2019 to 24 million in 2020 despite the pandemic hitting all businesses, including our own.

The 5-year Business Plan 2018-2022

Our Sacco is a closed Sacco and depends heavily on the growth in the affiliate companies.
In order to grow our business, we need to increase our savings and patronize the many new products.
Our current strategic plan will end next year 2022. Our priorities were growth of the value of our investment in deposits and shares, technology, membership, quality loan book, governance, turnover and cost management.
We continue to invite your thoughts on innovative strategies for growth, new services and products that disrupt traditional business models in our effort to enhance customer service and sustain growth to give us all higher value.
We continue to urge every member to introduce new member, an initiative which can easily see our membership grow by the next AGM. There is kshs 500 token of appreciation for every new member that each of us recruit into the society.

We thank our members for their patience and understanding as they wait for their loans to be disbursed. I am happy to report to you that at the close of 2020, there were no loan backlogs.
We achieved this through prudent management of available resources and constant engagement with members.
The continued steady growth that our society continues to register in membership, shares deposits and loans is wholly attributed to the support of all members, which we as Board and our committed staff, will continue to appreciate every step of the way.

Credit risks

The risk of a borrower failing to service his/her loan for one reason or the other is ever-present in any financial institution, ours included. As the number of loans we issue to you increase so does the possibility of some borrowers defaulting on regular loan servicing. We witnessed this from Auto sterile members who were rendered job less due to ongoing pandemic. Some provision will be made in future to cover the probable loss from defaulted loans after the Board has exhausted all available avenue of recovery.
Guarantors suffer whenever they are compelled to pay for defaulted loans or their deposits are attached to recover total defaults: this is a painful experience for any guarantor.

a) As a society we plan in future to engage debt collectors to help recovery of defaulted loans.
b) List defaulters with Credit Reference Bureau (CRB) to ensure that such members do not access finance from any other institution.

The Board urges members to ensure that they repay their loans and in case of difficulties, approach the office to explore alternative payment plans.

Dividends & Interest on Deposits

The Directors have recommended, subject to the member's approval at the Annual General Meeting, a dividend payout for the year of Kshs.5 .00 per share Kshs.20 ordinary share. The Board proposes that the dividends be capitalized. In 2020, the interest distributable to members is KSh.24, 000,000. The Board recommends that the Ksh.24, 000,000 be paid out to members by end of April 2021.

Elections

Elections forms part of the agenda in the AGM. Procedurally, the co-operative officer is the legal officer who does conduct the elections as the returning officer. The rotation rule still applies where three (3) board members and one (1) supervisory committee member have to retire every year. The members retiring this year are:

1) Jane Juma (Retired) chairperson board of directors
2) Hosea Cheribo_ Board Member (Terminated Membership)
3) Jane Wanjiru –Board Member(Terminated membership)
4) Edward Okabi- Chairman Supervisory committee (eligible for re-election)

We thank the members for their dedicated service

Acknowledgements

In conclusion, dear members, it is important to point out that what we achieved in the challenging 2020 would not have been without the dedication of our various business partners, the diligence of our staff and board of directors , the management of group of companies and, above all, the indispensable resource, that is you, members. We are optimistic that in 2021, together we shall accomplish more. Let us all remain committed and remember this, you are only safe when the other person is safe.

PAUL KIGAME
CHAIRMAN

The report was proposed by Robert Mayama and seconded by Edith Chirchir.

Office location and staffing:

Our office is at Nabui House, 3rd Floor, Room 3.
Telephone no. 0706 836359/0786 836359

Email:sawasacco@yahoo.com/sawasacco@gmail.com

Office staff: John Macharia and Josephine Nyambura.

- **Min 4.0-Auditor's Report**

Mr Kimani, CPA (K) of Esani & Associates gave a detailed summary of the audited accounts of which copies had been earlier availed to the members. He informed the members that the books had been kept well by the sacco Board and the office staff. He ended his report by asking the SAWA SACCO LTD members to allow their company continue auditing their books.

Member Nicholas Mutua proposed the auditor's report and was seconded by Julius Irungu.

- ***Min 5.0*- Treasures report**

THE TREASURER REPORT FOR THE YEAR 2020

(see separate copy)

The report was proposed by Richard Wahome and seconded by Rosemary Mwangi.

Minute 6.0-Supervisory Committee Report

SUPERVISORY COMMITTEE REPORT 2020

Members of the Committee
Edward Okabi - Chairman
Bernard Nyambu - Secretary
Samuel Barasa - Member

Membership

- The membership of our SACCO saw some slight decrease in the year from 463 to 453 members being 2.16% decrease from year 2019. During the year, 33 new members joined the Sacco and 43 members left.

Record Keeping

- Bank reconciliations are done within reasonable time and up to date.
- Loan register is up to date. However, we recommend an automated system as opposed to the manual register.

Loan Disbursements

- Proper record of all loan applications and disbursements are well kept.
- Loan disbursement is on first come first served basis.

Interest charged on loans

- The current loan interest rate is 12% that applies to both the normal and top up loans.

Growth and Profitability

- The committee members recommend that the board continues to patronize the SACCO's products in a bid to attract more members to join the co-operative as part of the strategic plan goals.
- Committee members noted that the effects of COVID-19 pandemic hampered the SACCO's growth in membership as per the strategic plan projection.

Upcoming events

- Due to COVID-19 protocols on gatherings, the committee members recommends that the board considers virtual meetings and to continue outsourcing facilitators to educate members more on how to grow themselves socially and economically within the SACCO as early as possible in the year.

Key achievements

- The committee is pleased with the loans uptake by members as this has translated to higher interest earned in the year and are encouraging the members to continue doing so.

Conclusion

- The supervisory committee would like to take this opportunity to thank all members for their contribution towards the results we have achieved so far and the support you have accorded us.
- Our special thanks also go to the Board for ensuring that the SACCO affairs were run smoothly during the year.
- Last but not least, we say a big thank you to the staff members John and Josephine for being so instrumental and supportive to us whenever we held our meetings.

Edward Okabi
Chairman Supervisory Committee

The report was proposed by Lilian Ruoro and seconded by Francis Mburu.

Minute 7.0-CCO's Representative address

Margaret Kamau of the DCO's office thanked members for their support to the sacco's management. She also thanked the Management for the good work done, great results in the middle of a pandemic and holding the AGM well in good time. She noted that the sacco was doing well but challenged members to increase their monthly contributions and have more to lend. She challenged members to aim for personal growth. Madam Kamau highlighted the new regulatory dispensation in the sacco movement in Kenya. Sawa Sacco was now under SASRA having deposits in excess of Ksh 100M and there was need to move with speed and comply with then various requirements.

Minute 8.0-Elections

Margaret Kamau of CCO's office conducted the elections. The following were proposed to the Board;

Company		Votes received
Icea lion Group		
• Joyce Matumo	Proposed by: Edward tari Seconded by: Linet Akinyi	Unopposed
Auto Sterile		
• Robert Mayama	Proposed by: Nicholas Juma Seconded by: Aggrey Kamba	Unopposed
Knight Frank Kenya		
• David Mugwe	Proposed by: Elizabeth Makau Seconded by: Francis Kinyua	22%

- Wilfred Obutu — Proposed by: Bernard Ngigi; Seconded by: Victor Odhiambo — 78%

Joyce Matumo, Robert mayama and Wifred Obutu were voted in.

One member of the supervisory committee was due to retire and was offering himself for re-election (Edward Okabi, Icea Lion). Members present (Icea Lion) proposed to the same candidate.

		Votes received
• Edward Okabi	Proposed by: Lilian Adala Seconded by: Winnie Adala	Unopposed

Minute 9.0-Resolutions

Ms Margaret Kamau of the CCO's office guided the members on resolutions and it was agreed as follows;

1. Dividends-To recapitalize the same in line with our Strategic plan
   Interest payment Ksh 24M-To distribute the same to members
   Proposer: Samuel muhanda
   Seconder: Francis Nzwilli
   Members agreed unanimously

2. Borrowing powers-To be retained at Ksh 50M
   Proposer: Cyndi Rotich
   Seconder: Kennedy Mutiso
   Members agreed unanimously

3. Indemnity-To be retained at Ksh 1,000,000
   Proposer: Henry Waweru
   Seconder: Francis Mburu

4. Appointment of Auditors-Esani & Associates have expressed interest to continue
   Proposer: Edith Chirchir
   Seconder: Maureen Atelo
   Members agreed unanimously

5. Amendment of the SAWA Sacco By-Laws to align with the New Model By-Laws recommended by SASRA
   Proposer: Meshack Kimatu
   Seconder: Kennedy Mutiso
   Members agreed unanimously

Minute 10.0-A.O.B.

The Board members voted in thanked the co-operators for the opportunity to serve them. The Secretary thanked the members for being in time for the meeting.

The Secretary reminded members to keep on updating their beneficiaries list as and when necessary. The issue of loans guarantorship was also revisited with members being informed on its importance. On Covid-19 pandemic, the Secretary reminded members to keep observing the MOH guidelines for their safety and that of their loved ones-Sanitize, Wash hands and Keep social distance.

The Chairman, thanked the CCO Representative, Sacco members and Sacco staff for their good work. The new ICT system installation will better service delivery. Once ready, things will change for better due to the many functionalities the same offer.

The meeting was called to close at 1.00pm after a prayer from Joyce Matumo.

Chairman PAUL KIGAME……

Hon. Secretary ANTHONY MWIKIA……..

Member GEOFFREY NGEI ……