

CS/NO. 2312 JEMBE SACCO LTD

CHAIRMAN'S REPORT ON THE 48TH A.G.M HELD ON 4TH MARCH 2023

INTRODUCTION

On behalf of the Central management Committee of Jembe Sacco Ltd, I take this precious opportunity to welcome you all to the 48th AGM. I Thank the management committee, our office administrator and the supervisory committee for their commitment towards the year's achievement.

MEMBERSHIP

There has been a slight increase in membership in the year 2022. This is due to;

- Slow picking up and opening of the Hospitality industry leading to financial stability of our members.
- More new members joining the society as shown in our books of account
- Timely loan disbursement thus embracing confidence to the suspicious members

NB// We kindly urge you to be our good ambassadors and bring more new members on bond.

GROWTH

The year 2022 has been a recovery year from the Pandemic and the Sacco has started realizing a gradual growth.

- All members are now fully paying loans and contributing towards share capital and deposits.
- Due to ease of the Pandemic the board of directors managed to process and give members loans fully on time impacting on members development agenda positively.
- As per the Audit report our financial ratios looks steady showing a very strong financial base of the Sacco. For instant our liquidity ratio is at 13% more than the minimum ratio of 10% and we are at 0% external borrowing ratio.

FROM THE CREDIT COMMITTEE DESK

The challenges presented by the COVID-19 in 2021 reduced in 2022 and the world has adjusted to live the virus. In the year 2022 members took out various loan facilities more so school fees, repurchases, normal, Calvex and special loans. The Safari loan has become less popular since there were no accumulated leaves taken in the year for members within the common bond.

During the year the following achievements were made

1. The loan policy was formulated and implemented.
2. The number of guarantors were increased from 3 to 4
3. All loans were issued and disbursed on time and no one was denied a facility for any unjustifiable reason

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4. Since July 2022 members within the common bond reverted to full salary, this greatly helped the loan repayment, restructuring and deductions to the society.

In the year 2022 a few challenges were experienced namely

- 1) Securing Guarantors is also a challenge as most members are still skeptical of the future and some of the employees are not members of the Sacco.
- 2) Membership withdrawals especially when employment is discontinued were also high. We would encourage members not to leave the society even after leaving the Common Bond. Members we do not have to be within the Common Bond to be a member of the society.
- 3) Members have not yet embraced the Digital world; hence they are not using the member's portal to access information from the comfort of their smart phones. We would like to encourage members to access their information from the portal and download the loan forms from the website.
- 4) Defaulted loans have started being recovered from the guarantors and this has greatly impacted on members contributions to the society. Members we kindly advise that when paid final dues from employment, kindly clear with the Sacco to ease the burden on your guarantors.
- 5) Guaranteeing loans is mutual agreement between members, however we wish to advise members to guarantee loans that are commensurable to their deposits e,g guaranteeing a loan of 1,000,000/= and your deposits are 150,000/=.

As we look forward a brighter and better 2023, we wish to request members to make the Sacco stronger by saving and taking up structured facilities to empower themselves and their families financially and economically.

Thanks to the Chairperson Credit Committee Beatrice Shikokoti, Secretary Ann Mwangi and Member Mercyscah Mmbone.

INVESTMENTS

The CMC, managed to invest minimal in CIC Unit Trust and KUSCCO. This impacted positively on our revenues thus positive returns.

As for many financial institutions are in a recovery journey from Covid, Jembe is unexceptional, we have gradually started investing in CIC Money Market, KUSCCO and others.

ACHIEVEMENTS

We are glad to report that three quarters of our members have achieved the proposed share capital of Kes.5,000. This is a big step forward as stipulated in the books of account.

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For the first time Jembe Sacco will be issuing share certificate to those members who have a share capital of Kes.5,000. This is a wonderful achievement; our ambition is to reach Kes.10,000 share capital but we will do it in phases.

The benevolent fund is up and running benefiting our members. Please let's all support this fund for it's a good way to go in this economy.

We managed to talk to our insurer CIC to reduce the Loan Guard premium thus reduction of proposed increment from Kes.1,500 to 1,300

NB// Members you are reminded that we shall deduct from this year Kes.300 for a stipulated period towards welfare contributions as agreed in our 2022 AGM.

EDUCATION

In the year 2022 the education committee held two major events.

- 1) Education to the Board of Management. During this training the Board was enlightened on various issues pertaining to SASRA and SACCO movement. The training was conducted by the Ministry of Cooperative Official and SASRA Officer
- 2) Education to Members was held in the month of October. It was an interactive meeting where members engaged the Officials in a question-and-answer forum. Our ISP provider was also in attendance to assist members in portal access, password resetting etc.
- 3) The Board attended the Ushirika Day at the KICC which was graced by Retired President Uhuru in the month of July.
- 4) The committee has tried to educate members on various loan facilities especially the Calvex which has been active during the year.

Despite the above successes the Education committee noted with concern that members were withdrawing from the Sacco and would therefore encourage members not withdraw their membership and continue saving with SACCO.

Thanks to the Education Committee Chairman Mourrice Tieni and Secretary Mildred Wendo.

CHALLENGES

GUARANTORSHIP

Some of our members are paying loans they guaranteed their friends, this slows down their ability to secure credit from the Sacco. Please be advised to do due diligence before guaranteeing your friends.

PROPOSALS

- **INTEREST ON DEPOSITS/DIVIDENDS ON SHARE CAPITAL**

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Members as per the Auditor's report the board of directors operated within the approved budget and is recommending a gross distribution of interest on members' deposits/Dividends on share capital as indicated in our accounts. This has a slight decrease compared to the previous year. The same shall be paid if you approve after presentation of the audited accounts of the financial year ending 31st December 2022.

The Board of directors proposes to capitalize the dividends earned on Share Capital. This will increase slightly our share capital to enable the Sacco attain required minimum ratios.

- **HONORARIA AND STAFF BONUS**

A provision has been set as Honoraria and proposed to be paid to the board of directors as a token of appreciation and also staff bonus which has all been indicated in the audit report. These will be paid subject to your approval honorable members.

- **ELECTIONS**

One member of the board of directors was expelled due to gross misconduct thus the position is vacant.

As per co-operatives guidelines, elections will be conducted for 1/3 of management and 1/3 of the supervisory committee who are eligible for re-election. The power is on you members to elect and vote in members who will add value to the society.

Members we remind you that for the purpose of accountability and responsiveness, the board came up with a policy that for you to qualify to be elected to the Management Committee one should: -

- Have been a member of the Sacco for more than five (5) years.
- Have minimum Deposits contributions of Kes.180,000

CONCLUSIONS

We take this opportunity on behalf of the Sacco to thank our stakeholders, honorable members, Fairview Hotel management, Holiday Inn at Two rivers management, Bean Plant at Airport, All other members out of common bond, The General manager for according us this spacious space and timely forwarding our monthly remittances.

MEMBERS we value you and remember **DO NOT SAVE WHAT IS LEFT AFTER SPENDING BUT SPEND WHAT IS LEFT AFTER SAVING.**

To our auditors, well done and keep up.

To our business partners Co-op Bank, CIC, Kussco, Salarix solutions etc. We thank you for cooperation during the financial year 2022. God bless you all and God bless Jembe Sacco LTD.

Thankyou

CHAIRMAN JEMBE SACCO LTD



SHITAKAYA HABEL OMUSIKOYO