



MINUTES OF THE KENYATTA MATIBABU SACCO SOCIETY LTD  
23<sup>RD</sup> ANNUAL GENERAL MEETING HELD ON 13<sup>TH</sup> APRIL, 2024 AT THE KENYATTA NATIONAL  
HOSPITAL ADMINISTRATION CAR PARK STARTING FROM 8.00 A.M.

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**PRESENT**

**a. Board of Directors Members**

1. Mr. Morris K. Karaine	-	Chairman
2. Mr. Francis O. Nyabuto	-	Vice Chairman
3. Mr. Gervase V. Mashauri	-	Member
4. Mr. Bedan M. Mulei	-	Treasurer
5. Ms. Jacqueline Andal	-	Hon. Secretary
6. Ms. Jacqueline M'bwana	-	Member
7. Ms. Nancy Wang'ombe	-	Member
8. Ms. Joan Mbithe	-	Member
9. Mr. Limiri Ntoruru	-	Member

**Supervisory Committee Members**

1. Mr. Stanslaus Mukabwa	-	Chairman
2. Anthony Mahinge	-	Secretary
3. Ms. Joan A. Achieng	-	Member

1,910 Members (as per attached list)

13 Staff Members (as per the attached list)

**Invited Guests**

1. Dr. Evanson Kamuri – CEO, Kenyatta National Hospital.
2. Mr. Godfrey Akumali – Chief Officer for Cooperatives, Nairobi County
3. Ms. Dolphine Aremo - County Director of Cooperatives, Nairobi County.
4. Mr. Hilary Musina - Sub-County Co-operative Officer, Ministry of Co-operatives and Micro, Small and Medium Enterprises (MSME) Development. (Kibra subcounty)

## **Agenda**

1. To read the Notice Convening the 23<sup>rd</sup> Annual General Meeting,
2. To Adopt the Agenda,
3. To Confirm Minutes of the 22<sup>nd</sup> Annual General Meeting held on 1<sup>st</sup> April, 2023,
4. Discuss Matters Arising,
5. To Receive the Chairman's Report,
6. To Receive and Discuss the Audited Financial Statements for the Year Ended 31<sup>st</sup> December, 2023,
7. To Declare FY 2023 Dividends against Shares and Interest on Deposits for Members who were in the Register of Members as at 31<sup>st</sup> December, 2023,
8. To Receive the Treasurer's Report and Approve 2024 Revised Budget and Proposed Budget 2025,
9. To Receive the Supervisory Committee's Report FY 2023,
10. To Adopt and Pass Resolutions,
11. To Appoint Society Auditors for FY 2024,
12. To discuss amendments of SACCO bylaws,
13. To appoint a representative to negotiate the Performance Contract for FY 2024,
14. Elections, and Declaration of elections' results, and
15. Any Other Business for which notice has been given in the manner prescribed by the By-laws

## **PRELIMINARIES**

The Chairman called the meeting to order at 10.00 am and welcomed the members. Opening prayer was done by Jacqueline M'bwana. The Chairman announced that the meeting attendance was both physical and virtual. The chairman confirmed that 114 members had logged online and 50 were seated.

### **Min. KMAT/AGM/01/2024: Adoption of AGM Notice**

The Hon. Secretary read the notice convening the 23<sup>rd</sup> Annual General Meeting of the SACCO. The Agenda was adopted upon being proposed by Mr. Martin Malau and seconded by Ms. Eunice Mumbua

### **Min. KMAT/AGM /02/2024: Confirmation of Minutes of the 22<sup>nd</sup> AGM**

The Minutes of the 22<sup>nd</sup> AGM held on 1<sup>st</sup> April, 2023 were read by the Hon. Secretary. They were confirmed as a true record of the proceedings after being proposed by Mr. Tom Odhiambo and seconded by Mr. Simon Kokope.

### **Min. KMAT/AGM/03/2024: Matters Arising**

There were no matters arising.

### **Min. KMAT/AGM/04/2023: Chairman's Speech**

The Chairman presented his speech to the members.

## Highlights of Chairman's speech

He requested members to observe a minute of silence in honor of the seven members who passed on in year 2023 and two in 2024.

He reported that the introduction of new taxes and levies has directly affected household net income while increasing interest rates has led to negative effects on savings and business performances. The effect to the members of the SACCO was decreased take home incomes thereby affecting negatively their ability to borrow loans.

The membership of the SACCO improved from 3272 in year 2022 to 3478 at the end of 2023.

The SACCO total assets increased from 1.65 billion in 2022 to 1.82 billion in 2023, loan book from 1.43 billion to 1.6 billion, total deposits from 1.36 billion to 1.48 billion, share capital from 61.99 million in 2022 to 75.62 million and total revenue from 213.14 million to 233.13 million.

The Board of Directors recommends payment of 10.3% (pro rata basis) interest on deposit to members 12% dividend which will be capitalized. The capitalization of dividends will enhance the share capital for purposes of improving the core capital ratios.

From benevolent funds, he proposed to pay Kes 2,000 to members who have continuously contributed for a minimum of 10 months from January up to December 2023, KES 1,000 to members who have contributed for six months and KES 500 to those who have contributed for three months.

Mobile Banking is at the final stage of implementation while FOSA services was put in abeyance until the economic situation improves.

The new members' portal can be used to apply for loans online, submit guarantorship requests, get loan qualifying amount using the calculator and download statements.

Members through their responses to the feedback survey had requested the SACCO to come up with a junior savings account. The product will give parents a chance to save for their children and also help instill a saving culture to their young ones.

On CSR, the SACCO visited Neemaland Kings and Queens Children's home in Dagoretti and donated 117 sweaters and foodstuff.

Christmas savings was Ksh.47.1Million in 2023 attracted an interest rate of 6%. in 2023. The savings paid were up to November, 2023. Savings for December formed the first contribution for year 2024. The Chairman further reported that the SACCO will not be able to accord this service to non-members due to tax regulations.

The SACCO was sued at the Co-operative Tribunal by one of its members in 2012. The member claimed that contributions totaling to Ksh 1,426,000 were not credited to his account. He had sued the SACCO for the recovery of the uncredited contributions together with dividends not paid and interests thereon. The case was dismissed on 26<sup>th</sup> February, 2020 with costs to the member. However, the member appealed and the case will be heard from July 2024.

On borrowing powers, the Chairman requested members to retain the authority to borrow up to KES. 85 Million.

The Chairman requested members who have not filled or updated the nominee forms and benevolent fund forms to fill and submit them to the SACCO offices to enable us update the records. He further requested members to approve the amendments of by-laws to be presented in the resolutions.

The Chairman announced that he will not offer himself for re-elections as a Board Director of the SACCO. Finally, he thanked Kenyatta National Hospital, KMTC and Ministry of Health, State Department of Co-operatives, KUSCCO, KCB, CIC, NBK, Cooperative Bank and SASRA for their support.

The Chairman's report was adopted upon being proposed by Dr. Rugendo Birichi and seconded by Stanley Gitonga.

**There were no reactions arising from the Chairman's Speech**

**Speeches from invited guests:**

**Dr. Evanson Kamuri: CEO, Kenyatta National Hospital**

He Congratulated the Board for a Job well done and requested them to keep up. He also assured the members their funds were in safe hands of the Board.

**Ms Dolphine Aremo, County Director of Cooperatives, Nairobi County**

She applauded the Society for doing very well as depicted by the movement of interest on deposits rates. She also appreciated the rare gesture from Chairman for opting not to contest for re-elections during the Board elections. Additionally, she informed the meeting that among the 5000 saccos she is overseeing, it was the first time witnessing a standing chairman opting to retire.

**Mr. Godfrey Akumali, Chief Officer for Cooperatives, Nairobi County.**

The chief officer observed the good performance of the Sacco through governance structure as depicted by peaceful and calm elections. He requested members to vote for candidates of integrity as this would determine the management of members resources. For those who offer to serve, he reminded them that this was an opportunity serve members and not to accumulate their wealth. The members have saved their toil and they want safety of savings and also desire loans at favorable terms. He emphasized to members on the need to save their funds in the Sacco. .

He encouraged the young professionals to join the SACCO and patronize its products not to go for bank loans for self-development.

He noted that the SACCO had embraced technology and urged the Board to ensure ICT platforms are safe and invest adequately in Cyber Security.

**Min. KMAT/AGM/05/2024: Presentation and adoption of the audited accounts for the year ending 31<sup>st</sup> December, 2023.**

The financial reports were presented to the members during the meeting by;

- i) Mr. Timothy Mwachanya from Mwangi & Kamwara Associates read out the Audited Accounts.
- ii) Members were informed that the 2023 Audited accounts were prepared in accordance with the International financial Accounting Standards and represented the true and fair view position of the SACCO status as at 31<sup>st</sup> December 2023.

- iii) The accounts were adopted and confirmed as proposed by Ms. Elizabeth Mollo and seconded by Ms. Winnie Kiema.

There were no matters arising on the financial reports from the members.

**Min. KMAT/AGM/06/2024: Treasurer's Presentation of 2024 revised budget and 2025 Proposed Budgets.**

The Treasurer took members through the approved budget for year 2024, proposed revision for year 2024, year 2025 proposal and actual income and expenditure for year 2023, the summary of which is as shown below:

	2023 Actual	2024 Revised Budget	2025 Budget
Total Income (KES)	228,103,901	258,764,398	271,710,118
Total Expenses (KES)	73,500,127	90,580,478	89,648,359
Surplus before provision for Bad debts	154,603,774	168,183,920	182,061,759
Provision for Bad Debts (KES)	(5,058,359)	(2,600,000)	2,400,000
Surplus (KES) after provision for Bad debts	159,662,133	170,783,920	179,661,759

**Capital budget**

	Approved Year 2024	Revised Year 2024	Year 2025 Budget
Computer Hardware & Accessories	2,000,000	5,000,000.00	3,000,000
Furniture and Fittings	500,000	700,000.00	500,000
Purchase of other fixed assets (including motor bike)		700,000	

The treasurer's report was adopted as proposed by Ms. Cecilia Njoki and seconded by Ms. Eunice Kiwa.

**Members reactions to Treasurer's Report**

- i) Mr. Bosco Otieno sought to know why SASRA requires the SACCO to pay authorization fees for the two Sacco offices; Flamingo office at the rate of Kes.30,000 and KNH office Kes.10,000 yet it is one entity.

**Response:** The members were informed that the Sacco offices are charged independently just like the Nairobi City council levies charges per office.

- ii) Mr. Joseph Kariuki, a member, stated that he was impressed by the SACCO's performance and payment of high interest on deposits, however he requested for an amnesty (the amounts to be considered as bad debts) for loans which were defaulted by members who had left employment due to questionable academic papers.

**Response:** The member was informed that it was unfortunate case but the credit policy has to be followed.

iii) Mr. Francis Kenmark sought to know why committee sitting allowances and committee education amounted to 8 million while Members education and AGM expenses amounted to 6.9 million. He further sought to know the role of the SACCO in protecting the guarantors when a loanee exits employment.

**Response:** The member was informed that, the cost of training an individual Board member is higher than collectively training all members at once. On clearance of members exiting employment out of KNH is usually independent from the SACCO and the SACCO may not be aware when one leaves KNH. Whenever a member leaves the SACCO the loan is offset against the deposits and any net loan remaining is apportioned to the guarantors.

iv) Mr. John Ondiege appreciated that the SACCO is doing well. He further reiterated that it was necessary for the SACCO Board and Supervisory Committee members to go for the recommended Training.

v) Mr. Bosco Otieno sought to know the Societies plan on how to deal with the issue of one-third rule due to the mandatory tax levies that are coming up and members borrowing powers are being affected.

**Response:** The board regularly re-engineers products where members can refinance to longer repayment periods and products that can be repaid using other sources of income.

#### **Min. KMAT/AGM/07/2024: Supervisory Committee Report**

Ms. Joan Achieng' presented the Supervisory Committee report.

#### **The following are the highlights**

The main objective of the Supervisory Committee is to carry out appraisal functions in the SACCO to ensure the Society's activities are aligned towards the achievement of its set mandate and objectives.

She reported that the SACCO was granted Authorization certificate of operation for year 2024 by SASRA.

The SACCO achieved Core Capital to Total Assets ratio of 7.23% against required minimum of 8% in 2023, Core capital to total deposits of 8.89% against 5% and Retained Earnings and disclosed reserves to core capital 58.21% against 50%.

The SACCO disbursed a total of Kes.987,481,795 compared to the FY 2022 in which the SACCO disbursed a total of Kes.1,103,734,018.3. This translates to a decline of 10.53% which was due to increase in demand for loans which were offered at 11% in FY 2022.

In year 2023, the SACCO loan balances brought forward were kes1,472,432,865, loans disbursed were kes 987,481,795 while repayments were kes 823,356,298 leaving loan outstanding at the end of the year at kes 1,636,378,362.

In year 2023, Interest from loans was Kes 211,875,777, (176,949,978 in year 2022) Total Dividends received from various investments was Ksh 1,104,102 (1,070,643 in year 2022) and Interest from Bank and short-term deposits was Ksh 4,921,126. (7,530,994 in year 2022). The committee recommended the Board explores alternative investment opportunities that demonstrate greater potential for profitability.

As of December 31<sup>st</sup> 2023, the SACCO had a total of 3,478 (Active members are 2,904 and dormant 574) compared to 3,272 (Active members are 2,775 and dormant 497) in 2022. Total

membership grew by 206. The committee recommended the SACCO to do marketing to other institutions and also business people mitigate the risk of over-reliance on a single source of funding.

The committee noted that the online loan application module has been implemented and is now operational. They requested the SACCO to expedite the selection of loan types for initial online application before fully launching the system across all loan products.

On office space the committee confirmed that that all payments pertaining to this acquisition have been duly settled and the SACCO is awaiting the final lease certificate. They requested the Board to fast track the issuance of final lease certificate.

On mobile money application, the committee reported that the SACCO was in pilot stage of implementation. They requested for implementation of proper security to protect members' financial information and transactions from cyber threats.

They reported that the loan delinquency rate has decreased from 3.2% in 2022 to 1.83% in 2023 which has led to a decrease in the provision for bad loans. They requested members to be repaying their loans with utmost seriousness.

As of 31<sup>st</sup> December, 2023, a total of 156 members withdrew from the SACCO while 222 were recruited. In the year 2023, a total of Kes.. 74.5 million was paid out as withdrawals, compared to Kes.. 66 million in 2022. It was recommended to come up with strategies of how to retain members.

It was noted that the SACCO did not borrow any funds during the year.

The board was requested to consider participation in Ushirika day adjudications which would reaffirm the position of the SACCO in the cooperative sector.

The committee requested the board to allocate a budget to accommodate technology changes effectively and also to streamline operations to enhance efficiency and improve experience, the Board to prioritize the installation of robust security measures, and check on challenges of attracting and retaining members in the face of increasing competition.

She announced that the SACCO will achieve 25 years of success next year.

The report was adopted as proposed by Ms. Pamela Shivachi and seconded by Mr. Emmanuel Amunala.

#### Reactions to the Supervisory Report.

- i. Mr. Oyugi sought clarification whether Flamingo Office was purchased or leased  
**Response:** The Chairman informed members that flamingo office was bought.
- ii. Mr. Ceasar Barare said that Innovation and Inclusivity should be adopted by the SACCO, and suggested that its time the SACCO should consider having a lady as the Chairperson. He also congratulated the secretariat for job well done.  
**Response:** The Chairman acknowledged the members suggestion.
- iii. Mr. Emmanuel Amunala requested to know why interest from bank and other short-term deposits had declined.

**Response:** Instead of investing in short term deposits, funds were loaned to members and the effect is the increase in Interest on loans.

**Min. KMAT/AGM/8/2024: Performance Contract**

The Chairman requested members to allow the Board of Directors get a Member who will negotiate Performance Contract for the financial year 2024 on their behalf.

This was unanimously agreed as was proposed by Mr. John Ondiege and seconded by Mr. Ouma

**Min. KMAT/AGM/9/2024: Resolutions**

The Cooperative officer, Ms. Florence Akinyi presented the following resolutions on behalf of the Board:

**1) Interest on Members Deposits**

The Board proposes payment of interest on deposits for 2023 at a rate of 10.3% (on Pro- rata basis) amounting to Kes.. 142,034,468

The resolution was unanimously approved as was proposed by Mr. Emmanuel Amunala and seconded by Mr. Francis Kenmark

**2) Dividends**

The Board proposes declaration and capitalization of dividends at 12% amounting to Kes. 8,102,603.

The resolution was unanimously approved as was proposed by Ms. Elizabeth Molo and seconded by Ms. Sheila Sakwa.

**3) Borrowing Powers**

The Board proposes to retain borrowing powers of Kes. 85 million for FY 2024 and the same amount for FY 2025.

The resolution was unanimously approved as was proposed by Mr. Njenga Kamami and seconded by Ms. Hellen Imathiu.

The co-operative officer pointed out that before approval the commissioner wants the Strategic plan to be attached to any borrowings.

**4) Appointment of Auditors**

The Board requested the approval of M/s D. K. Wambua and Associates to serve as the SACCO External Auditors for financial year 2024.

The resolution was unanimously approved and was proposed by Mr. Bosco Otieno and seconded by Mr. John Ondiege

**5) Amendment of By-laws**

The SACCO proposed the following amendments in the bylaws:



The following were the election results;

**Board Members**

Candidate	Votes Garnered
1. Nancy Njeri Wangombe	1,292
2. Fredrick Omondi	1,265
3. Bedan Musyoka Mulei	1,250
4. Shikutswa Muyeshi	662

The following three (3) candidates who garnered the highest number of votes were declared duly elected to serve in the Board.

Nancy Njeri Wangombe  
Fredrick Omondi  
Bedan Musyoka Mulei

Stanslaus Mukabwa was declared unopposed for the supervisory position.

**Min. KMAT/AGM/11/2024: A.O.B**

Ms Jacqueline M'bwana thanked all the participants for making the 23<sup>rd</sup> AGM a success.

There being no other business the meeting ended at 1.30 pm with a word of prayer from Ms. Grace Akinyi.

**Minutes signed for circulation:**

Secretary Limini Mtononi Sign [Signature] Date 30/04/2024

**Minutes Confirmed:**

Chairman:..... Sign..... Date.....

Secretary:..... Sign..... Date.....

