## Chairperson's AGM speech

It is my honour and privilege to welcome you all to the Annual General Meeting of SNAT SACCO. Today marks another important milestone in our SACCOs journey. A journey built on trust, shared responsibility and the unwavering commitment of our member owners.

As we begin the day's proceedings, let us be guided by unity, accountability and the cooperative spirit that has brought us this far.

Yet again business performance for the SACCO demonstrates a successful transformational journey. We attribute same to the strategic plan that was launched in 2023/2024 and will run until 2025/2026, commitment by members, Board members, employees to see the organization thrive.

The table below highlights indicators of the journey.

| | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Surplus (E) | 6,566,153 | 17,488,885 | 17,895,045 | 21,057,577 |
| Audit Opinion | Adverse | Adverse | Qualified | Emphasis of matter |
| Interest paid | 9.5% | 9.5% | 9.4% | 10% |

It gives me pleasure to announce that this year's audit opinion is unqualified. In 2024, surplus improved by 17% from that of 2023.

1. **Amendment of Bylaws to AGM.** General membership is advised that draft Bylaws will be discussed during the Special Budget Meeting to be held in May 2026. This is to allow the AGM to have enough time to discuss all reports that relate to business performance.

2. **Key Financial Indicators.** The SACCO is compelled by the regulator to continuously observe minimum Liquidity and Capital adequacy ratio of 15 and 8 percent respectively. It is with pleasure that I announce that the SACCO has safely observed these requirements throughout the financial year. As at 30 June 2025, the SACCOs Capital adequacy and Liquidity ratios stood at 16.08 and 27.63% - signifying excesses of 8.08 and 12.63% respectively.

3. **Transfer of funds to Reserve Accounts**. The SACCO has been battling with allocating funds deposited by members (without correct referencing) and hence same ended up accumulating and was moved to the suspense account. The regulator and external auditors were not comfortable with the situation. In the business year of 2024/2025, the SACCO has been able to have the regulator approve a proposal to move the funds - from the suspense account (amounting to E 5,127,7888.00) to a Capital Reserve account. The SACCO will be making the necessary adjustment whenever relevant

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information surfaces (either POP or submission of passbooks that were eliminated during migration).

4. **Inaccurate referencing / Delayed submission of POP.** The SACCO has over the years been requesting members to ensure that they capture the correct reference when depositing funds through the SACCO's Bank accounts. This was to ensure that same is instantly processed into depositing member's account. It is unfortunate to mention that members continue to capture wrong refences or at times do not reference at all. To manage this, the SACCO would backdate (to the day of depositing) processing of transactions – in order to ensure that members interest earnings is backdated to the day of depositing. This arrangement has resulted in several audit queries (as same was in contrary to accounting standards). Members are informed that with effect from today, the SACCO will not backdate any transactions.

5. **Effects of salary review exercise.** The SACCO has noted with concern the effect of the salary review on the demand for credit facilities. Since implementation of the report, members have been flocking the institution and making either revolving or straight loan applications. The adjustments have resulted in a permanent improved ability to access credit facilities and hence the in-place liquidity management strategy may need review. To ensure that the SACCO proceeds to fulfil its mandate, the Board of Directors proposes that minimum non withdrawable savings be increased from E 200 to E 400 and minimum compulsory school fees savings be reduced from E 200 to E 100.

6. **Falsifying documents.** In the previous AGM, the SACCO reported that it had prosecuted some members (13) for falsification of information to fraudulently have access to loans. The members were found guilty and were suspended for periods of 12 months without access to services of the SACCO. Yet again another group of 6 members were prosecuted in September and were all found guilty for the same offence. Their disciplinary hearing was chaired by a Lawyer from our Legal Advisors.

7. **Automated AGM registration process**. Members are advised that the SACCO has introduced an automated registration system for the AGM, which is currently in trial. The objective of the advancement is to reduce human errors and further make the process less tedious. The solution will automatically record time of registration and further time of exiting meeting venue. This will allow the SACCO to eliminate the unethical practice of registration just to earn lunch allowance, instead participants will be paid lunch upon leaving at or later than stipulated time. Those that will leave earlier will forfeit the allowances.

8. **Mobile Banking app downtime.** The SACCO conveys its regrets for the negative experience regarding the Mobile App's downtime. At some point the app would be

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constantly down and this got to a point where it started processing unsolicited transactions. In the month of September, the mobile app processed unsolicited transactions to the value of E 115,926.00. Some of the affected members instantly returned the funds while others utilized same and ultimately paid back. Currently a total of E 10 167.72 outstands to be paid and the SACCO will ensure that all money gets paid back. Members with outstanding dues are encouraged to settle same from proceeds of interest to be paid today, if not – the SACCO shall automatically deduct same from either school fees or non-withdrawable Savings.

N.B. The app has been stable for sometime now and we are yet monitoring if same prevails, otherwise baby steps towards finding an alternative supplier were initiated.

9. **Introduction of UNAYO as a distribution Channel.** Membership is informed that the SACCO has embraced UNAYO as one of its distribution Channel. Members who would like to utilize the channel are requested to do – self service registration (*334# - and follow the prompts).

10. **Increase of mobile app short loan from E 1,000.00 to E 2,000.00.** Members are advised that the limit of the Mobile App short loan has been reviewed upwards – e.g, from E 1,000.00 to E 2,000.00. The repayment period was also reviewed from 5 to 6 months.

11. **Evaluation of business property.** Members are advised that in June 2025, the SACCO evaluated the property and its market value stood at E 32 514 000 from a figure of E 20 956 578 that was depicted in the last audited financial statements. We noted that the value was influenced by 3 primary factors being – improvements through rewiring the whole building (a project that has been completed), refurbishment of the Banking Hall and reception walkways) and time lapse since the last evaluation.

12. **Acquisition of motor vehicle.** Membership is advised that the SACCO has acquired a new vehicle, Toyota Hybrid, as per budget provision. The vehicle replaces the Toyota Avanza, that has reached its useful life. The Avanza will be sold through sealed bids (auction) soon. In the next financial year, the SACCO aims to dispose its Quantum which has equally reached its useful life – and replace same with an equally suitable vehicle.

13. **Corporate Social Responsibility.** The SACCO engaged on the last lap of donating school shoes and backpack bags to 120 beneficiaries from Mbandzamane, Black Mbuluzi Nazarene, Makhwekhweti and Dvumane Primary School. Going forward the SACCO will explore other activities other than donation of shoes. To make more impact, the SACCO improved the budget for this activity to E 100,000.00.

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The SACCO also donated fruits to 3 orphanage homes. These fruits were redirected after abolishment of meeting to discuss Bylaws.

Some of the water was donated to Ubombo region wellness and SATO games participants – though this may not be viewed as CSR initiative.

14. **Outcome of survey for establishing SNAT SACCO residential Township.** With the objective of establishing a low-cost Township for its members, the SACCO undertook a survey whose objective was to ascertain appetite for consuming the product. Outcome depicted the following;

    - Members are interested in having the same Township either in Manzini or Hhohho.
    - 82% of members would prefer to acquire vacant land and develop same later.
    - Majority would like to acquire land for less than E 250 000.00.
    - 84.2% of members are extremely interested in the concept.

    With the results demonstrating keen interest, the Board seeks consent from members to proceed with the exploration. The next step would be engaging the regulator to get approval and subsequently engage in feasibility studies. This would be done with the assistance of consultants.

15. **Member Education.** In line with its objectives, the SACCO offered several training workshops including.

    - Induction of new members.
    - Training of BEC on SACCO Philosophy, Personal Financial Management, Compliance.
    - Workshop on Bylaws.

16. **Membership Base.** In the financial year the following changes took place.

    **New Members.** The SACCO was joined by 553 members.
    **Withdrawn Members.** 140 members exited voluntarily from the SACCO.
    **Deceased Members.** Sadly 124 members passed on.

    As at today, the SACCO has 12 664 members.

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**Conclusion**

May I urge that we continue working together to build a SACCO that is not only financially sound but also responsive to the evolving member needs.

On behalf of the Board of Directors, Management and staff, may I wish members a safe and exciting festive season.

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Gugu A. Mabuza

**BOARD CHAIRPERSON**

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