

Date: Monday, 8<sup>th</sup> November 2021

Dear Members,

Firstly, I would like to thank each one of you for the patience you showed in the last two and a half years following the very acrimonious 2019 AGM and all the matters that followed thereafter.

Not all Members stayed to watch as the Board wrangles that threatened to tear down and destroy our Sacco. However, we thank them too. Some of them left because they were discouraged and tired of all the Board wrangles, others left to safeguard their savings, others left for other financial reasons. Having said that, it is important to report to you that we had two court Victories, one at the Cooperatives Tribunal and the other at the High Court. Both cases were filed by the former Chairperson who was dissatisfied with the members' choice, the SGM elected Board. The board is now fully in office and we have made numerous strides that we would like to report to you our esteemed members.

### Membership

When we took over on the 9<sup>th</sup> of August 2021, the membership had dropped from 1,800 members in January 2020 to 926 members. Most of the members resigned in protest as they were tired of the nonchalant attitude, disobedience of our By-laws and unnecessary court cases instigated by the former chairperson and her team. I am very pleased to announce that since the 9<sup>th</sup> of August 2021, our staff have managed to convince 45 Members to re-join the Sacco.

New members – 25

Withdrawn members re-joining – 45

Dormant members as at 9<sup>th</sup> August 2021 - 378

Dormant members as at 31<sup>st</sup> October 2021 - 106

Members you can see that the confidence is coming back as we have been able to do this in only 2 months in office.

### Defaulters & Loan repayments

When we took over office, we were appalled to learn that our defaulter list had grown from Kshs.120 million in January 2020 to Kshs.186 million in August 2021.

Our staff and credit team got to work immediately, convincing members to start repaying their loans bringing this number down to the current Kshs.120 million. We are still a long way from where we want to be and with your support, indulgence & member confidence that there is now good governance in the Sacco, I am convinced that we shall be able to recover most, if not ALL.

Defaulter amount as at 9<sup>th</sup> August 2021 – Kshs.194.2 million

Defaulter amount at 30<sup>th</sup> September 2021 – Kshs.188.8 million

Our Credit & Education Teams have done a lot of work, collaborating with the Board at all levels to ensure that we rebuild Member confidence and encouraging Members to restart repayment of their loans as required. We have put in place various debt collection mechanisms which have in just under 2 months reversed the trend in the default figures as shown above.

Members, I urge you too kindly, if you haven't already started making your regular payments. We are committed to bringing back the lost glory of our Sacco. We encourage you to patronize our Nafuu Loan product which not only makes instalments payable lighter but also moves a member's loan from default status to performing or on schedule status.

### Loan Products

Our Core business is lending and what sustains us is loan repayments. For that reason, you will note that the Board very quickly after taking office analysed the loan products that had been suspended and made a decision to re-introduce loans to members. The long-term loans that required collateral such as logbooks and title deeds were reinstated.

We have also re-introduced the Concorde Flash mobile loan that was by far the most popular loan to members. In order to safeguard members' savings, this product will now be accessed based on a member's free shares up to a maximum of Kshs.70,000. We are working on other products that will be rolled out in due course.

### Staff Matters

The Marketing Executive is back on board so you will be getting frequent updates on the ongoing in the Sacco. The former CEO is back in acting capacity following the departure of the incumbent CEO who left our employment on mutual consent.

### SGM held on 25th September 2021

As advised earlier, the current Board members and some other members were enjoined in a case whereby 3 Members of the Sacco had gone to Court to stop the reading of the Commissioner's Inquiry Report. Two victories came out of that case and the report was read. We have received very positive feedback and gratitude from many members as a lot that had been hidden from members was exposed. Should you want to read the report for yourself, it is available at the Sacco offices. Legally we are not allowed to duplicate or post the report online. Should any Member require a copy for themselves, you are free to apply for one from the Commissioner's office. We are course in implementation of ALL the recommendations therein. I would like to thank all the 256 members who logged in to listen in.

### AGM 2020

Due to the short time in office, following our victory at the Tribunal, the Board inherited a lot of negative issues that needed to be corrected before we can hold an AGM. The Tribunal had given us 5 months to prepare and hold an AGM. However, the former Chair appealed the matter in court and lost on 9th August giving us only 2 months to prepare for the AGM. As many things needed to be done, we applied for an extension by the Court and we were granted the same. We shall send out a notice for the same as soon as all the pending matters have been finalized.

## Nominations Committee

The Board received some information from the Nominations Committee Chairperson that he was not happy with the rushed process of vetting candidates that had been done in July 2021 nearing the high court ruling of the appeal case. He was also surprised by the very low applications for Board and Supervisory Committee positions.

Only 2 Members had applied for Board Positions in July 2021 and only 1 member applied for the Supervisory Committee. The Board therefore made a decision to re-start the process to be conducted by the Nominations Committee comprising 3 members one from each of the following organisations – Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Directors (IOD) and Law Society of Kenya (LSK). This was so that the process is independent of any Board influence. The Board also redefined the rules so that there is no external interference with the process. There are 12 Members who applied for Board positions & 6 for the Supervisory Committee. Only qualified applicants will be invited for the interviews. The Board has 6 vacant Positions and 2 Supervisory Committee positions in line with the recommendations given by the Commissioner's office due to the provision in our by-laws and the fact that there was no AGM in 2020.

## By-Laws

The last registered by-laws are those of 2013. All the other resolutions passed in all the previous AGMs since 2014 have not been added to our By-Laws for reason only known to the former signatories. This Board has met with the Commissioner's office for guidance and has revised our By-laws in line with our new regulators SASRA's guidelines and added all the past resolutions that you passed since 2014 AGM. We shall be sending you a soft copy of the same for your perusal and approval at the forthcoming AGM.

With that said, on behalf of the Board of Directors, I want to thank you all very much for showing us your commitment to rebuild our Sacco and for your confidence in the Members you elected to move this Sacco to the next level. We are committed to obeying the law, our by-laws and serving you together with the Staff to ensuring Concorde Sacco can once again become a household name in the Sacco Industry.

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*God Bless each of you and your families, God Bless Concorde Sacco.*

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FOR & ON BEHALF OF THE BOARD OF DIRECTORS:

Janette KABIRU-RUBADIRI

**CHAIRPERSON**