MINUTES OF THE 2025 SACCO ANNUAL GENERAL MEETING

Held at Mfanyana Hall on the 22nd November 2025 starting at 09:37 am

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In attendance;

BOARD MEMBERS

1. Shiela Dlamini - Chairperson
2. Bongani Chauke - Vice- Chairperson
3. David Sibandze - Treasurer
4. Nozipho Shongwe - Secretary
5. Thokozile Maseko - Credit Committee
6. Artwell Simelane - Credit Committee
7. Nelisiwe Mlangeni - Credit Committee
8. Thabiso Mthethwa - Education & Marketing Committee
9. Justice Nsibandze - Education & Marketing Committee
10. Nhlanhla Shabangu - Supervisory Committee
11. Majaji Dlamini - Supervisory Committee
12. Abednego Mavimbela - Supervisory Committee

SACCO OFFICE SUPPORT

1. Philani Maziya
2. Sijabulile Nkambule
3. Andiswa Ngwenya
4. Zime Neyende
5. Sakhile Kunene

SACCO MEMBERS

Present: 361

Apologies: 77

Absent: 619

AGENDA

1. Opening prayer
2. Welcome Remarks
3. Quorum and adoption of agenda
4. Review and adoption of last AGM minutes
5. Presentations;
   - 5.1 Chairperson Remarks
   - 5.2 Management Report
   - 5.3 Audit/ Treasurers Report
   - 5.4 Supervisory Report
   - 5.5 Declaration of Interest
6. Elections of Management Committee
7. Closure

ITEM	DISCUSSIONS	ACTION
1.0	**Opening Prayer** The meeting was opened with a word of prayer led by Mr Bheki Nhlabatsi at 09hr37.	Noted 1
2.0	**Quorum and adoption of agenda** The quorum was formed and confirmed by the Supervisory Committee. **Adoption of Agenda** The agenda was adopted without any additions.	Noted 2 Noted 3

	Mover – Elvis Shabangu Seconder - Sipho Manyatsi	
3.0	**Chairperson Welcome Remarks** 1. The Saphumula SACCO Board wishes to welcome all to the Annual General Meeting. Members' attendance is a demonstration of commitment to the SACCO affairs, and shows sustained interest and loyalty. The meeting has been convened to share reports on the performance and operations of our SACCO for the year ending 30 June 2025, and also to give updates on ongoing initiatives. 2. A special welcome was extended to the 40 new members who joined the SACCO during the period under review. As part of oversight role, the Board continues to review the SACCO policies in line with the current business practices and Strategic direction. 3. Amongst the reviewed policies this year is the Elections policy. The policy will give guidelines as to how the up-coming elections will be conducted. A brief presentation will be made at the end of the meeting. 4. In the year under review, the board-initiated **product repackaging** for both loans and savings products. These were rolled out on the 1st of July 2025. However, the board has noted that some of the products are not performing as expected and therefore the review will continue. 5. FSRA Directives: the Board continued to address directives by regulator and further submitted	Noted 4

	responses timely. The full report is addressed in Management report. 6. The board has noted the members' complaints about inaccurate statements from the Mambu system. Management has since embarked on an exercise to reconcile members' statements dating back to November 2022 when we migrated from the old Mtatane system to the Mambu system, the exercise is near completion. 7. The SACCO has experienced liquidity challenges for quite some time. The Board has developed a liquidity restoration plan in order to meet the prudential standard of 15%. Members are urged to support the implementation of the plan in order to achieve the objectives stated in Management report. 8. The Board wishes to once again acknowledge the Achievers and members with savings value **+E110, 000** in one or more savings portfolios. As per the SACCO Policy, these members shall be awarded with cash vouchers and their money shall be uploaded and accessed through the **USSD facility (*604#)** from **27th November 2025.** The Board would like to encourage other members to work towards becoming achievers also in future. 9. The SACCO has had challenges with Human Resource Management in the year 2025 as a result of the following: 9.1 Suspensions of 5 staff members pending disciplinary hearings.	

9.2 Resignation of the Financial Administrator – Takhona Ginindza. Her last day in office was 31st August 2025

9.3 Resignation of the Secretary General Mr. Mandla Mdluli in February 2025 due to added responsibility.

10. The Board has since filled up the vacant positions as follows:
    - Mr Philani Maziya is the new Financial Administrator; he joined the SACCO in September 2025.
    - Ms Nozipho Shongwe is the new Secretary General; she joined the SACCO in July 2025.
11. The Board hired 3 Interns on contract basis with effect from 1st July 2025 to assist in office operations, especially on the frontline services. They are as follows:
    - Andiswa Ngwenya
    - Thandolwethu Mtsetfwa
    - Nothando Mlambo
12. In conclusion the board would like to assure members that Saphumula has a future despite the challenges faced. We have noted that some members are beginning to lose hope on the future of the SACCO. Let us hold our hands together in supporting one another for the sustainability of the SACCO. The future is bright, therefore let us not lose hope.

4.0	**Review and adoption of last AGM minutes** The Secretary greeted the members present and further thanked the program director for affording her the opportunity. She gave a highlight of the last AGM minutes and the minutes were adopted with corrections. The Secretary further reported that matters arising will form part or will be addressed by the various reports that will be presented by the different committees.	Noted 5 Noted 6
5.0	**Management Report** Presented by Vice Chairperson 1. Total Loans issued out during the year amounted to E14,093,237 compared to the budget of E18,621,354 and this means that performance was 24% below the budget. However, when compared to the previous year, issued loans declined by 27% from E19,248,740 in 2024 to E14,093,237in 2025. 2. The decrease can be attributed to declined disposable income due to high inflationary economic situation and failure to meet compliance requirement. 3. Membership as at 30th June 2025, was recorded at 1,162. The record shows 2.7% decrease when compared with the previous year, i.e. decreased from 1 194 in 2024 to 1 162 in 2025.	Noted 7 Noted 8

	4. The SACCO recorded 40 new members during the year under review., 5. A total of 72 members terminated membership during the period. These were due to financial difficulties, retirement and retrenchments. 6. Strategic Plan 2024 to 2029: - The SACCO Board of Directors formulated a five (5) year Strategic plan from 2024 – 2029. The Strategic plan seeks to secure and ensure the future of the SACCO for the next 4 years and beyond. Defaulting employers are ESTV and Touch IT owing the SACCO E1 342 831, **Challenges** 1. Memberhsip growth declined by 2.71%. 2. High membership resignations. 3. Loan issuance declined due to members challenge in meeting the 33% statutory loan deduction requirement. As a result, a total number of eighty–seven (87) loan applications were declined during the year. 4. Most EPTC members deductions have pushed above the 33% statutory requirement hence the employer is now deducting less than what the SACCO requested. 5. Financial indiscipline as some members requests to be allowed to refinance loans before reaching the policy stipulated refinancing conditions. Members cheating the bank collection system 6. Competition from other Financial Institutions.	Noted 9.

	7. Delayed remittances by employers and poor collection resulting to members accruing interests they would have avoided. Furthermore, this adversely affect the SACCO liquidity position. **Conclusion** 8. The SACCO Board of Directors has made a commitment to turn the Saphumula SACCO operations to be more member focused in ensuring that the long-term financial stability and liquidity is achieved. As such key focus shall be on the following areas: • The focus shall be growth targeted in terms of membership and products patronization. • Improve utilization of technology for operational efficiency in line with the Strategic Plan. • Cost containment and prioritization of SACCO resources for stronger Institutional Capital will continue to be key., **Comments and Discussions** 1. Member wanted to know what happens when employer does not remit the money as expected? And whether or not that affects the member in terms of acquiring loan facilities? Also, what happens to the loan payment period? **Response;** the office stated that normally the affected member would be given a call by the office to discuss	Noted 10.

	payment and some members would comply and others do not comply. 2. The Board should explore the option to deduct from the bank with EPTC employees. 3. Interest on Savings: a member was concerned on the fluctuation from 8% to 10% and wanted to know what happens there? **Response;** this was highlighted as a policy matter. FSRA made some reviews during the year 2024 and advised the review of the interests. 4. The Board should ensure that all the money invested by members is legitimate in terms of money laundering. 5. The board should ensure background checks of new members is done accordingly. 6. Disciplinary hearings are ongoing; the target is to be complete by March 2026. ***Adoption;*** Mover – Gcina Dlamini Seconder – Mduduzi Mdluli	**<u>Action 1.</u>** Board to explore bank deductions for EPTC members. Noted 11.
6.0	**Audit / Treasures Report** The Audit Report was presented by Treasurer; 1. The SACCO 2025 audit report was performed by Kobla Quashie & Associates Chartered Accountants (KQ). The report was submitted on the 31st October 2025 for approval by the Financial Services Regulatory Authority (FSRA). This was after the Board had	Noted 12.

	received the final report from KQ on the 30th October 2025. 2. Surplus for the year amounted to E546 641, compared to E997 587 for the year 2024, a 45% decline. 3. Reported that the SACCO Accounts were declared Unqualified and the Auditors opinion was, " In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the society as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized entities (IFRS for SMEs) and in a manner required by the Cooperatives Societies (Amendment) Act of 2003 and Financial Services Regulatory Act, 2010". 4. Issues raised by Auditor's- ▪ Salary Deductions exceeding 33% ▪ Employee appraisal was not performed during the period. **Conclusion** 5. The Board is committed to achieve improved report quality through maximizing technology efficiencies and utilization of the Mambu banking solution. **6.** Furthermore, the Board will ensure that compliance to the law, policies and regulatory requirements will be given the utmost priority. **Comments and Discussions** 1. A concern was raised on the revolving of loans	

	• The board responded that this is a policy issue the board is working on. Enforcement of 50% revolving of loans will continue to be monitored. 2. It was submitted that the Board should look into the feasibility of offering rewards for members who service their loans well. 3. A concern was raised on the engagement of ITC; fears that such a move can drive members away. **Response:** The Board is fighting both liquidity and the compliance issue. **Adoption** Mover: Dumisa Mndzebele Seconder: Phumlani Dlamini	**Action 2.** Board to look into the feasibility of offering rewards for members who service their loans well.
7.0	**Supervisory Report** Presented by Supervisory Chairperson The following areas and observations were noted to require Board's undivided attention; 1. Policies Review: reported that policies were reviewed including Elections policy and ready for presentation in this AGM 2. The Board and Management despite the macroeconomic headwind, continued to perform its duties with diligence to achieve the SACCO's overall objectives and goals. 3. Kobla Quashie & Associates Chartered Accountants (Eswatini) was engaged to perform SACCO audit for the year ended 30th June 2025. The Executive	Noted 13.

	Committee (EXCO) reviewed the performance of the external auditors and recommended for Board approval of their appointment on a 3-year contract basis, currently they are on their second year. **Comments and Discussions;** 1. A member wanted to know who is Acting Manager? The response was Mr Philani Maziya Financial Administrator is also acting in the position of SACCO manager. 2. It was submitted that retirees should have a focal person who will handle their affairs and improve their hospitality within the SACCO. **Response:** Supervisory committee notes the contribution and will be forwarded to the relevant committee. 3. It was noted that the Board is mandated to make policies although AGM can also make contributions for the Board to implement. 4. Defaulters as of June 2025 stand at E3.9 million 5. Members are cautioned to follow procedure / protocol in addressing their issues; FSRA can be approached provided proper guidelines have been observed. 6. Bouncing of Bank Stop Orders: members were requested to stop this malpractice because it creates more defaulters for the SACCO. 7. Contact numbers for the SACCO office is always not working. Acting Manager will look into this. 8. Disciplinary process: Board assures members that the process is still on-going though it is very slow.	**Action 3** It was submitted that retirees should have a focal person who will handle their affairs and improve their hospitality within the SACCO. **Action 4**. Acting Manager to facilitate repairing

		broken office phone lines
8.0	**Declaration of Interest** Presented by Chairperson 1. The SACCO's liquidity ratio improved from 5.02% (2024) to 13.20% (2025), against the liquidity prudential standard of 15%. 2. The Regulator (FSRA) granted the SACCO permission to declare and pay Interest for only the year ending 30 June 2025. The ratio after paying the June 2025 interest will drop to 9.59%. 3. The interest for June 2024 was not authorised as the payment was going to drop the liquidity ratio to an unacceptable level, according to the Regulatory Guidelines. 4. The Ordinary & Special Personal Savings interest rates improved from 5.61% (2024) to 6.51% in 2025. 5. The interest rates structure for the year ended 30th June 2025 is listed below. Ordinary/Special Personal 6.51% School 4% Etsala 7%	Noted 13

	Maxi Save 4% Holiday Savings 4% Likusasa 4% Youth 5% Inyango 9% NB: All the interest rates are aligned to the budget for 2025. **Statements:** Members will be able to view their interest payment value from their statements through the *604# from 27th November 2025. Any queries relating to interest calculation and payments can be directed to the office.	
9.0	**Elections Policy Presentation** Presented by Education Committee Chairperson The following areas and observations were noted; 1. Members wanted to know what is the role of members in adopting this policy 2. Retirees: Saphumula has data base on all membership. All members will have equal opportunity. 3. The Board is responsible for electing the Elections committee and to oversee the elections process. 4. A member wanted to know what happens to the 2024 interest and whether it will reflect in the member statements? Response: Board will contact FSRA to get more clarity on this issue.	Noted 14. **<u>Action 5</u>** Board will contact FSRA to get more clarity on the issue of 2024 interest.

10.0	**Closure** The meeting was officially closed by Mr. Thomas Mkhaliphi at 13:37 hrs. Hezekiel 37:1	Noted 15

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Nozipho Shongwe

Secretary

Sheila Dlamini

Chairperson