

CHAIRMAN'S REPORT

THE KENYA USA DIASPORA SACCO SOCIETY LTD THE ANNUAL GENERAL MEETING HELD ON JUNE 14TH, 2014

Our chief guest, Mr. Samuel Makome the KCB Chief Business Officer/MD, the Acting Deputy Commissioner for Cooperative Development, Ministry of Industrialization and Enterprise development Mr. Stanley Ongeti, distinguished Guests, Fellow members, Ladies and Gentlemen-all protocols observed

On behalf of the board of directors, it is my great pleasure to welcome you all to this very important occasion in our society's calendar, our Annual General Meeting. I feel privileged and honored as your Chairman that with concerted efforts from leadership and general membership, we are here to review our past and project our future. I wish to thank the officials of the ministry of industrialization and enterprise development, Kenya for being supportive and never getting tired to guide the board members in the matters of running the Sacco business prudently.

May I take this opportunity to make some remarks and observations on society's performance since registration to date and also set forth policy and strategic agenda for our operations in the years ahead.

General Overview

On January 26th 2012, Kenya USA Diaspora Sacco Ltd was registered by the Kenyan government to serve all Kenyans residing in the US; this was the first Sacco to be registered outside of Kenya. We will forever be grateful to our government for this wonderful gesture extended to us. The goal of our Sacco is to help millions of Kenyans in the Diaspora to invest back home with ease and grow our economy as we create wealth for ourselves.

The board of Directors has been on a mission to provide for a long lasting solution to some of the investments challenges facing the Kenyan community in the Diaspora today. Some of these challenges are:-

- Lack of organized, trusted, dependable and reliable investment channels for the Diaspora community. The Sacco was formed to solve this problem; we will remain true to this basic mission.
- Lack of proper accountability of monies sends to Kenya for investments purposes. The Sacco is providing a smooth, sure, safe and directed investment opportunities which members can monitor their funds grow daily.
- Many Kenyans falling victims of conmen, greedy relatives and friends. As a Sacco member you don't have to invest through your relatives or friends anymore, the Sacco will do that on your behalf. It's your investments vehicle, your trusted relative and friend.
- Banks high interest rates and stringent financial requirements was impediment to investing. Your Sacco is offering better rates than you can get from any bank in Kenya on your own and we shall continue to explore ways and means we can lower them further down. Our operational process is simple, fast sensible.

- Exaggerated land and property prices in Kenya among other related land problems. The Sacco will deliver genuine well priced properties with clean titles. We will use the numbers to purchase huge chunks of land and or build for ourselves so that members pay only the construction plus administrative costs only.

These and more were the reasons why this Sacco was formed.

Savings

Our savings today stand at Shillings 5,543,985.49 and share capital of 1,000,000.00 shillings. We are rolling out an online payment system to ensure easy collection of member's contribution. We are also working with our bankers in Kenya to see the best way members can directly transfer funds to the Sacco account from other banks and be sure their personal information (Names and membership numbers) is captured and included in the statement to avoid unknown credits. We are embarking on a roadshow mission to recruit members as we sell our products. These and more other activities are geared toward increasing our savings and share capital. For a society which has been in existence for over one year, our savings remain low. We continue to encourage members to double their efforts in ensuring steady flow of savings. It is this savings that will guarantee our financial safety in future.

Members Education

In the desire to recruit, educate, create awareness and share information with members, we plan to be releasing monthly e-newsletters to all members. We will continually be updating our website with everything going in the Sacco and so we urge our members to make frequent visits to our website www.kenyadiasporasacco.com. We are also rolling out other communication mediums that we find necessary and effective in disseminating information. Please be our friend on Facebook, follow us on twitter but most importantly keep checking our email blasts through constant contact.

The board will continue to invest in educating our members to better manage their personal finances to ensure that members make prudent financial and investments decisions which is in line with our motto of "Investing your dollars wisely"

Online system

We have a reliable secure online system where members can check their statements online, it is still a work in progress and in the near future most of the Sacco operations will be completely automated. Right now, to become a member, one is able to complete the application online and members are able to login and view their statements online. In this year's budget a proposal has been put forward to enhance the system Software development. This will take our Society to the next level, our members will be able to transact more Sacco business online, and this will help enhance efficiency in service delivery.

I believe all of us are reaping benefits from this online initiative, having been able to access all the information relating to the website regularly in order to catch up with the latest developments. Our goal is to make the experience comparable to your Bank of

America or Wells Fargo or any of the other Banks with robust and versatile online banking systems.

Strategic Partnerships

To fully get the Sacco on its feet financially and become independent, our Society will need to continue exploring the potential of expanding its operations by seeking and introducing new and innovative products and services

In order to broaden its revenue base and also improve service delivery to its membership. It is In recognition of this fact that the Board of Directors has continued to seek Partnerships with friendly organizations in order to bring on brand new products that add value to our members.

Sacco / KCB Partnership:

One of the most immediate challenges every newly formed Sacco faces is lack of finances to advance credit to its members. The demand for loans is always more than the member's savings. Aware of this challenge, last year we embarked on our mission to look for an immediate solution to ensure that our members have access to finances whenever they need it. This is how we ended up in this value adding partnership with KCB. It is because of this partnership our members can apply for a loan immediately they become Sacco members (no waiting period) and they can boost their savings in lump sum payments and borrow 5 or 10 times their savings. We are proud to be associated with KCB, our strategic partner, the largest Financial Institution in Eastern Africa. Today, we will be signing a strategic alliance (MOU) between our Sacco and KCB bank to formalize this partnership.

Isinya / Konza Bypass project

We are pleased to report to you that our Sacco and Premier Realty, a Real Estate Agent has reached a strategic partnership to bring you prime, well priced and affordable options to own land in Kenya. This 100 acres property is located between Isinya and Konza Techno city touching on the proposed bypass. It's a prime land for speculation with a potential of rapid increase in value in the next month's/years. Once the bypass is completed and Konza city comes up, this land will be a gold mine.

Loans

Through our partnership with KCB, the Sacco has been able to bring to you various loan products ranging from personal to development, short to long term. Repayment periods range from 1 year to 20 years depending on the type of a loan you apply for. We negotiated very competitive interests' rates, at the moment maxed at 15% per annum, fixed for 5 years on reducing balance for loans advanced in Kenya shillings and 9% on US dollars loans.

While most Sacco's don't consider lump sum savings for loans, we will approve loans based on your total savings regardless of how the money was paid. Better yet if you don't have enough savings to qualify for the loan you need, the Sacco will work a way out to accommodate your unique situation. We understand the strength in numbers and the beauty of carrying along everyone with us as we grow this institution to the highest level possible. You can trust our extraordinary leadership team to ensure that we

continue to honor each member and deliver the best levels of service and value in the industry. As your Chairman, I want to assure you that your Sacco is here to offer help and make it easy for you to achieve your Kenyan and American dreams as well.

Elections

For us to comply with the Co-operative Societies Act, we will be electing 4 new officials as per our bylaws to bring the board to 9 members. To ensure complete representation, these four will come from cities/states with huge Kenyan populations and will be elected during the roadshow. I want to take this opportunity to sincerely thank the five board members who have worked tirelessly day and night to bring the Sacco to its current level. I urge the members to strengthen this team by bringing in men and women who will add value to the team when we contact those elections.

National Foot Print

We will have representation in every city and state where we have a large Kenyan population. These representatives will be elected democratically by the people in that state. Their job will be to recruit and educate members, sell Sacco products and assist those members in need of any assistance to fully enjoy the services of the Sacco.

The Future Strategic Plans

To steer our Society toward financial freedom, the Society will need to continue exploring the potential of expanding its operations by seeking and introducing new and innovative products and services in order to broaden its revenue base and also improve service delivery to its membership. It is in recognition of this fact that the Management Committee is putting in motion a process that will facilitate the Society in coming up with a comprehensive Strategic plansometimes this year. Once formulated, the strategic plan will be implemented in phases over a five-year period. Members will be consulted at the appropriate time to give their input for the success of the entire process

We envision a great and bright future. There is no telling of what we the members can transform our Sacco to become when we pull our resources together. We refuse to be comfortable and press forward to greater heights and opportunities that add value to our members. We won't rest until all our investments goals and objectives become a reality.

These are some of the areas of immediate consideration on top of our agenda this year;

- Group wealth creation for us, our children and the generations to come in line with Robert Kiyosaki's believe that " It is not how much money you make, but how much you keep, how hard it works for you, and how many generations you keep it for".
- Online payments for the member's convenience anytime anywhere.
- Look into possibilities of having FOSA to ensure that our members can open and operate regular checking (current) accounts.
- Explore into ways and means our Sacco can invest in Diaspora bonds, Euro bonds and treasury bills/bonds.

- Health insurance coverage for us and our family members both here and back home.
- Set up a Kenya Diaspora banking institution (FOSA) in Nairobi and other towns in Kenya to serve the needs of our members.

In Conclusion

When you joined Kenya USA Diaspora Sacco, you become a part of something special, a member of a family who share common investments and financial goals and challenges. We want to help members become better able to actively manage their personal and investment finances, today and in the long term.

We take our position as your primary financial institution here in the Diaspora seriously. We will continue to put our members' best interest ahead of our own. As members, you are the owners. This is your Sacco and we strive to offer the types of services you want and need. We are committed to delivering quality products and services at the best value. We understand the importance of this Sacco to our members and we thank you for having faith in us, we will not let you down.

As your Chairman, I feel honored to serve you in this board and I fully understand that with honor comes humility and great responsibility. We look forward to continuing to meet your needs today and in the future. On behalf of my fellow Board of Directors, I thank you for choosing Kenya USA Diaspora Sacco as your investment vehicle.

Frank Kioko

Chairman, Board of Directors

Kenya USA Diaspora Sacco society LTD.

