

28th October 2025

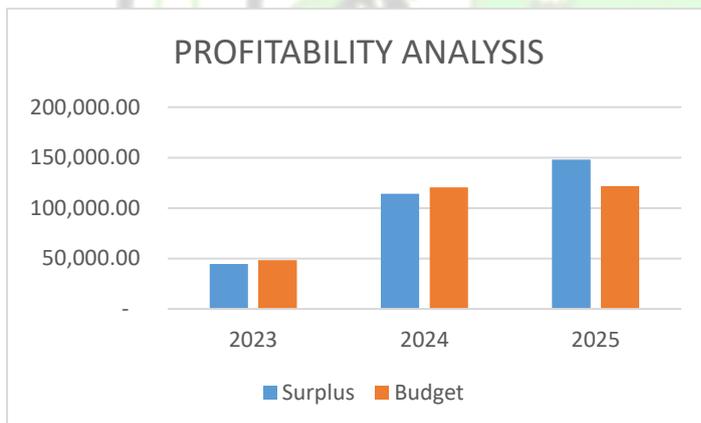
Chairperson’s Report for the year ended 31ST July 2025

1. INTRODUCTION

Phaphamani Maswati maintains its upward trajectory in its financial performance year on year. The SACCO continues to strive to achieve incredible milestones. For the financial year ended 31st July 2025 the SACCO continued to value its membership by putting the interests of its members first. The financial year has seen a lot of improvements, which however comes with its own challenges, particularly dealing with the introduction of more digitalized way of transacting. The board is in an effort to enhance membership convenience in transacting and has confidence that teething issues will soon be resolved for the benefit of members. Members are encouraged to embrace this new way of USSD transacting to align with global trends of embracing digitalization.

2. FINANCIAL OVERVIEW

2.1 PROFITABILITY ANALYSIS



As depicted by the graph above, the three-year trend in profitability analysis shows an increase year on year. This is a trend that the board intends to improve into the future.

2.2 FINANCIAL POSITION SNAPSHOT

	2024	2025	MOVEMENT	VARIENCES %
LOANS	7,138,955	7,960,234	821,279	11.50%
PPE	43,590	120,574	76,984	176.61%
SAVINGS	8,388,339	9,515,375	1,127,036	13.44%
SHARES	1,507,112	1,668,127	161,015	10.68%
RESERVES	1,258,901	1,400,433	141,532	11.24%
PROVISION	232,578	421,659	189,081	81.30%

All items show a positive movement, however the correlation between increase in loans vs savings is somehow misaligned as the increase in savings is slightly above the increase in loans. The ideal scenario is an increase in loans to generate interest returns to members particularly for a SACCO as liquid as Phaphamani. We do however appreciate the savings culture.

2.3 INVESTMENTS

	2024	2025	Variance	Movement
STANLIB	951,010	594,433	-356,577	-37.49%
ALPHSZ (SANLAM)	661,996	1,144,190	482,194	72.84%
SBS PERMANENT SHARES	1,280,076	1,357,743	77,667	6.07%
TOTAL	2,893,082	3,096,366	203,284	7.03%

Stanlib: there was a disinvestment in November and February amounting to E1,100,000.00 to finance school loans.

2.4 PEARL ANALYSIS

RATIOS	THUMB RULE	2024	2025	VARIANCES
LOANS	70-80%	60.85%	59.37%	-1.48%
SHARES	20%	12.84%	12.44%	-0.40%
SAVINGS	70-80%	71.51%	70.97%	-0.54%
LIQUIDITY	15%	31.44%	32.02%	0.58%
EXPENSES	15%	13.96%	14.75%	0.79%
CAPITAL ADEQUACY	8%	10.64%	10.89%	0.25%

3. COMPLIANCE

- a) **Laws Amendments:** Cooperative Act of 2003 is amended therefore we need to incorporate the changes in the By-Laws, with other new legislations e.g. Anti Money Laundering, Financing Terrorism Act, Data protection Act this will be finalised waiting for a special general meeting for presentation.
- b) **Regulation:** FSRA all reports were submitted on time during this reporting period. ESCCOM, we have submitted a renewal application that was successful. Certificate awarded renewable in 12 months. ERS monthly returns of PAYE deducted from both employees and Board are submitted and remittance done before due dates.
- c) **Corporate Social Investment:** we have identified kaMkhweli and Manyeveni Primary Schools, where we issued 20 school bags, shoes and socks on both gender for kids who are less privileged including sanitary pads box per school . Previous year we assisted 15 kids per school, recording an increase of 33.33%.
- d) **Swaziland Building Society:** the previous year we reported that the society is converting into a bank, and we will withdraw E1,080,075.00 because we were not sure about the consequences of the convention of society to bank. This has not been implemented due to confirmation that the investment will not be disturbed but that doesn't mean we cannot disinvest when loan demand increases.

4. ACHIEVEMENTS AND WEAKNESS

ACHIEVEMENTS	WEAKNESS
Review of By-laws	Low savings culture
Review of Procurement Policy	High liquidity ratio reducing profitability ratio.
Performance Framework Policy and assessment tool	High delinquency ratio
Embark on a new Digital core banking system, where the employees can have access to the system everywhere in the world.	Increase of resignations due to financial constraints.
Increase social media platforms, TikTok account added	
Digital Transformation: We launched our USSD code *506#, enabling members to access services remotely and securely.	
Digital Member survey form giving us feedback from members about operations and idea sharing on improvements.	
Engaged Debt Collector	

5. Membership

	2022	2023	2024	2025	MOVEMENT	variance
Main Members	417	435	559	592	33	5.90%
Future Members	61	122	174	262	88	50.57%
Skhula nabo Members	0	8	21	55	34	161.90%
Resigned	21	28	8	27	-20	-250.00%
Dormant	16	18	10	15	-8	-80.00%
Deceased	4	3	1	2	1	100.00%

The year under review, we have a good indicator on member increase, even though it shows a decline when compared to previous year a decline of 21. Causes of decline due to reduce member education interrupted by data migration in the office therefore some of the activities that need the presence of the office had to postponed. However, Let's recognize the work of education committee and your referrals about the SACCO, sharing Facebook post also increased the SACCO's mileage by giving a loud hand of applause.

	2023	2024	2025	movement	Variance
Joined members	79	176	155	-21	-11.93%

Total membership

	2023	2024	2025	movement	variance
ACTIVE MEMBERS	521	735	865	130	15.03%

Target for next year is an increase of 20% and it's attainable when all can bring our kids and families in the SACCO.

6. EDUCATION:

In the year under review, at least all committees were afforded the opportunity to go for training to equip themselves with the required knowledge to thrive in their respective portfolios. There are, however, workshops that we couldn't attend due to financial constraints.

Annually the general membership is given the opportunity to attend cooperatives gatherings so that they understand the model and have the sense of ownership. I would like to thank all those members who chosen for honouring the invite this shows respect to members funds. We hoping to maintain the consistency of increasing the numbers of general members for such activities. An increase from 5 members prior year to 8 members this year was made.

7. COMMITTEE REPORTS

7.1 EDUCATION COMMITTEE

Companies visited for member recruitment.

1. Inyatsi construction sub-station: - Khoza

2. Usuthu Forest Production: - Nhlangano
3. Africa power: - Sdwashini
4. Plastic mills: Matsapha
5. Tjaneni: RES subcontractors
6. Mall pitching: manzini junction mall

7.2 CREDIT COMMITTEE REPORT

LOAN TYPE	2023	2024	2025	MOVEMENT	%
ORDINARY LOAN	1,085,810.00	1,186,185.00	1,034,974.00	- 151,211.00	-14.61%
ORDINARY LOAN2	1,350,000.00	2,658,825.00	2,148,865.00	- 509,960.00	-23.73%
SCHOOL LOAN	1,138,563.24	1,410,515.00	1,321,407.88	- 89,107.12	-6.74%
EMERGENCY LOAN	198,000.00	205,500.00	105,900.00	- 99,600.00	-94.05%
SHORT LOAN	1,069,870.45	814,200.40	755,550.00	- 58,650.40	-7.76%
MASHESHA LOAN	617.98	1363440	1,692,013.00	328,573.00	19.42%
STAFF LOAN	22,000.00	17,400.00	16,000.00	- 1,400.00	-8.75%
UBUNTU LOAN	0.00	60,000.00	64,000.00	4,000.00	6.25%
SKHULA NABO	0.00	0.00	8,300.00	8,300.00	100.00%
SPECIAL	0.00	0.00	1,027,000.00	1,027,000.00	100.00%
TOTAL	4,864,861.67	7,716,065.40	8,174,009.88	457,944.48	5.93%

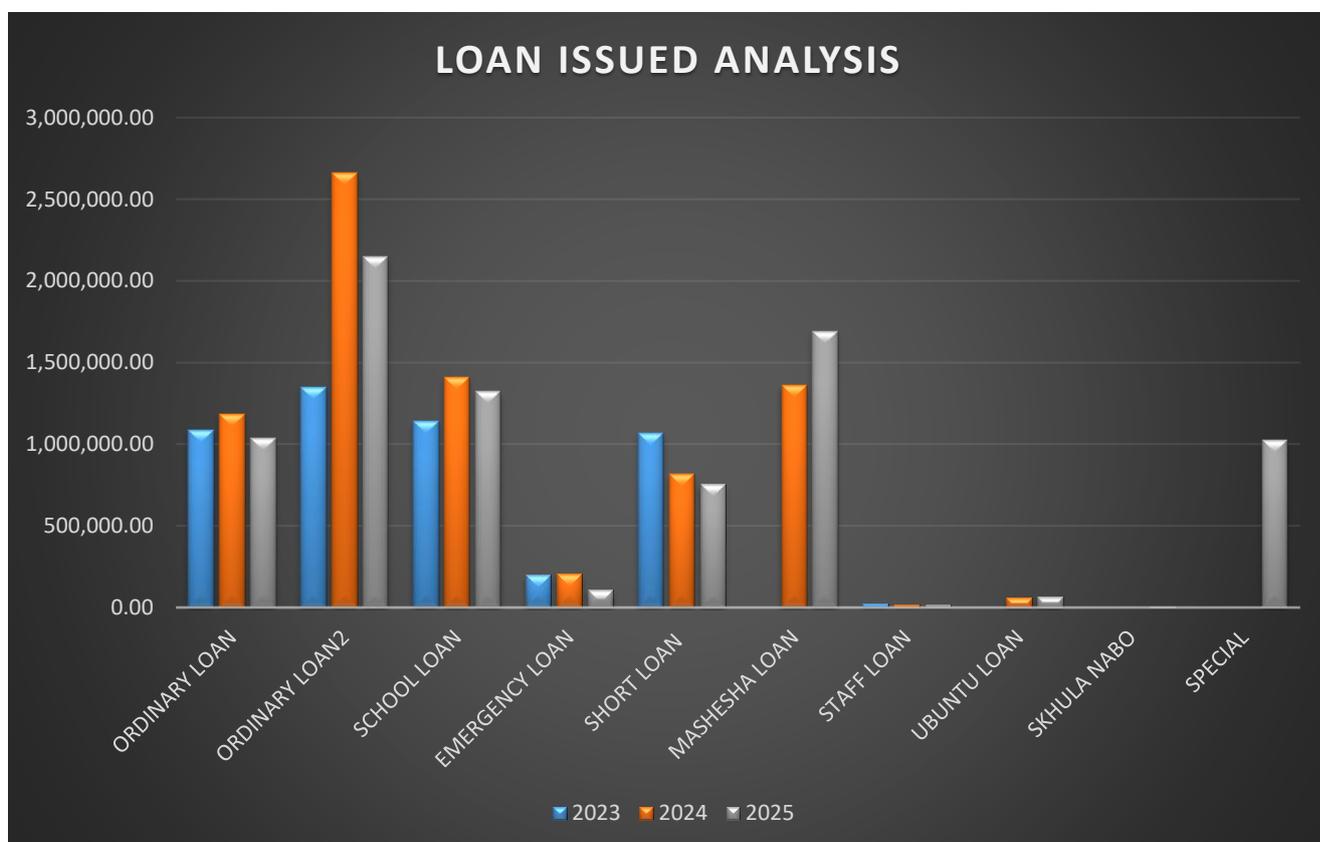
LOANS ISSUED: there is a slight increase on issued loans of 5.93%.

Appeals: 10

Approved: 6

Rejections: 4

Counteroffer: 1



8. STRATEGIC PLAN FROM 2023-2026

GOALS	FEEDBACK	SCORING
1. Create relevant products for members needs	Ubuntu loan, Mashasha loan, Sikhula nabo savings plus Christmas savings	90%
2. Review and develop needed policies to fit with current operations	Done and list of policies formed listed on achievements	94%, may be some policies will be needed before the expire date of the plan.
3. To have an effective feedback mechanism	After SGM 2025, a Microsoft survey form was sent to members, and the participation number was above 60%. Tool will be used after every engagement by education committee.	25%
4. To educate members, Board and Employees	Trainings and workshops were attended, member visitation done plus member recruitment on	65%

	malls and targeted companies.	
5. Finalise MoUs with companies where we draw members from	Left with 1 employer to finalise the MOU	70%
6. To own property	Property fund is with SANLAM E1,144,189.69 VS last year E661,995.97	72.84%
7. Improve the SACCO's image by: repainting offices, selling good quality on promotional items and staff corporate wear.	Promotional items available. Repainting still waiting for appraisal of quotation rendered. Staff uniform will be purchased on the following fiscal year 2026	80% 13% 75%
8. Employ marketing officer	Previous year we reported that by December 2025 there will be a TikTok account, I'm pleased to inform you that it was done in January 2025. We still engaging influencers who will be cost effective for content creation.	85%
9. To improve SACCO's efficiency through technology embracement by January 2025	We have fully embarked on the new digital core banking system. USSD code delivery services efficiently to members.	40%
10. Increase membership by 30% before July 2026	I aim happy that we all play a significant role towards this objective, as we see numbers are increasing yearly.	28% done.

9. CONCLUSION

I wish to sincerely appreciate your support and patronage. Indeed, we would not be where we are today without your consistent, loyalty to the SACCO and confidence you have for us. The Support on promotional items is humbling and we look forward to serving you with the best brands. The Board, staff and the entire Phaphamani fraternity cherish your support. We commit ourselves to be a member centric SACCO.

We also remain appreciative of our partners, stakeholders and the regulators who have tirelessly contributed to provide valuable support. To our employees, I wish to express our sincere gratitude for making the year 2025 a fruitful one by diligently playing your part. Lastly, I thank fellow board members for your contribution, dedication, support as we together propel this great organization to higher heights. If you have ideas that can enhance our service delivery do not hesitate to share with me.

Thank you for entrusting us with such responsibilities, we assure you that we will do our best to serve you.

Nhlanhla Sibanyoni

Signed by:



Board Chairperson.

