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**THE SACCO SOCIETIES REGULATORY AUTHORITY  
(SASRA)**

**Our Ref: SASRA/SS/CS. 9510/ L/VOL.V/ (105)**

**Date: 11<sup>th</sup> February, 2021**

**The Chief Executive Officer,**  
Safaricom Sacco Society Limited,  
Safaricom Care Centre, Waiyaki Way,  
P.O Box 668227-00800  
**NAIROBI**

Dear Sir,

**RE: APPROVAL AND OBSERVATIONS OF THE AUTHORITY ON THE SACCO'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2021.**

The Authority has considered the Sacco's audited financial statements for the year ended 31<sup>st</sup> December 2020 for approval pursuant to provisions of Section 41 of the Sacco's Societies Act, 2008 as read with Reg. 55 of the Sacco Societies (Deposit-Taking Sacco Business) Regulations, 2010.

The Board of Directors of the Sacco are responsible for the preparation and fair presentation of the Audited Financial Statements of the Sacco in accordance with Section 40 of the Act and in accordance with IFRS, and for such internal control system as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error and takes responsibility for the same.

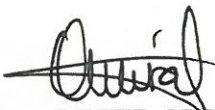
The External Auditor is responsible for auditing the said financial statements of the Sacco in accordance with Section 44 of the said Act as read with Reg. 56 of the aforesaid Regulations, and to give reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue auditor's report thereon.

However, the Authority makes the following observations on the said Audited Financial Statements on the basis of the Authority's statutory mandate of on-site and off-site supervision of the Sacco;

1. The audited financial statements fairly comply with Reg. 55(2) of the said Regulations subject to the External Auditors opinion, in respect of the level of disclosures required.
2. The Authority takes cognizance of the issues raised in the Management Letter and will be monitoring implementation thereof.
3. The Institutional capital stands at 6%, the Sacco is urged to increase its reserves so as to meet the prudential requirement of 8% minimum.
4. The Authority advises the board to ensure that the Sacco members are adequately informed of Sacco's financial performance.

Subject to the foregoing observations and the auditor's opinion on the said audited financial statements, the Authority hereby approves the same for publication and presentation to the Sacco's annual general meeting.

Yours faithfully,



**PETER OWIRA**  
**FOR: CHIEF EXECUTIVE OFFICER**

**Copy:**

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