



AGM Questions

Name	Org	Question	Answer
Gerald H Muche	CIDRZ	<i>Why don't we begin considering a members share Holding as security of the member's loan when considering the 20%</i>	<p>The value of shares held is not fixed and is subject to fluctuations: for CareCoop, this is dependent on the Net Asset Value Model, therefore changing asset value (whether positive or adverse) affects the share value.</p> <p>For members- transactions between members for buying and selling of shares may also depend on demand and supply.</p> <p>Both instances make it difficult to accept shares as collateral as the future value may be difficult to ascertain and the risk of this uncertainty may be higher than that of obtaining cash collateral.</p>
Elizabeth Simwawa	General member	<i>Can shares (share holding) be used for loan collateral?</i>	<p>The value of shares held is not fixed and is subject to fluctuations: for CareCoop, this is dependent on the Net Asset Value Model, therefore changing asset value (whether positive or adverse) affects the share value.</p> <p>For members- transactions between members for buying and selling of shares may also depend on demand and supply.</p> <p>Both instances make it difficult to accept shares as collateral as the future value may be difficult to ascertain and the risk of this uncertainty may be higher than that of obtaining cash collateral.</p>
Mwansa D.C. Kaoma	GIZ	<i>Do members who are shareholders also regarded as non-shareholders in terms of loan tenure restrictions? e.g. an ordinary member whose contract ends in 6 months can not get a loan beyond 6 months tenure</i>	<p>Loan terms and Conditions are applicable across the board i. e All members whether shareholding or not are subject to the same loan processing or approval conditions as shareholding status may not provide guarantee of repayment if/when primary source of income (linked to availability of contract based on tenure) is unavailable.</p> <p>Therefore, CareCoop maintains a consistent underwriting process for both categories of members.</p>
Lawrence Muuma	CIDRZ	<i>The Coop has in the recent past sold shares as capital injection for investment. What is the ultimate investment plan after years of deliberating on possible investment portfolio? As a follow up question why does the Coop cap the period of floating shares sold instead of continuously raising investment funds pool through continuous sell of shares to members to create an unlimited pool of investment funds?</i>	<p>CareCoop share float was closed as intended target for capital raising was achieved. It is important for the Cooperative to also ensure that it safeguards its share value and ultimately dividend per share, therefore, CareCoop may only strategically float shares for specific projects after which these may be closed, as a perpetually open share float may unsustainably increase the number of shareholders and subsequently reduce the dividend per share. CareCoop however is setting funds aside in readiness for a diversification of the business which is expected to improve or increase profitability, at which point CareCoop may accommodate more shareholders, given high profits to share.</p> <p>In addition, CareCoop currently has a share trading platform for members who wish to buy and sale shares from fellow members. Members are encouraged to send through expressions of interest to CareCoop (for the purchase or sale of shares) through our designated mailbox; shares@carecoop.co.zm – the platform on which buyers and sellers are linked.</p>

Moses Mumba	CARE International in Zambia	<i>Has there been any underperforming investments or assets overall? How has the Board dealt with these investments/assets? Similarly, what has been the best performing investments, overall</i>	<p>The investment that was observed to be performing slightly below expectation is the loan book. The earning was relatively lower than the return that was required for our breakeven point. CareCoop undertook a review of its major asset (the loanbook) to establish the appropriate rate of return, hence the pricing changes recently undertaken to ensure a sustainably profitable business.</p> <p>The highest performing asset over a considerably long period of time is our investments in the money markets, as CareCoop has continuously been able to negotiate favorable rates of return on these investments.</p>
Gordon Mwanza	CIDRZ	<i>What is Care Coop doing to safeguard and ensure the value of members' investment is not adversely affected by depreciation of the Kwacha?</i>	<p>CareCoop has recently revised lending rates and other lending terms and conditions. This helps us safeguard the return on our core or largest investment, which is our loan book, and will ultimately create the capacity that would allow the Coop to increase the interest on the savings, while being able to maintain a profitable spread.</p> <p>Further, for any other investments currently being pursued by the Cooperative (mainly in the money markets), CareCoop always strives to negotiate rates of return that are favorable and reflective of risks attached (based on the concept of risk and return), given the current economic conditions.</p> <p>The COOP has reviewed its cost structure to minimize operating costs. All costs are analyzed to determine the value for money. Investments in technology are also being explored to digitize our operations which will cut costs considerably in the long term</p>
Gordon Mwanza	CIDRZ	<i>What is the investment portfolio of Care Coop?</i>	<p>CareCoop currently has investments in the following assets:</p> <ul style="list-style-type: none"> - Loans - Money market instruments - Rental property
Gordon Mwanza	CIDRZ	<i>Does Care Coop feel it is a viable option to continue investing in Kwacha or would there be consideration for member accounts in dollars?</i>	<p>Currently, the Coop does not have the financial, operational, or technological capacity to manage the member accounts denominated in dollars. Any dollar savings accounts held by the Coop would need to be matched by dollar loans so that the risk of currency movements is matched. Most of the income and expenses are denominated in our local currency, it would therefore be difficult for the coop to generate enough business for the savings and loans that would offer high returns for risk to be taken.</p>
Moses Mumba	CARE International in Zambia	<i>The Zambian Kwacha has depreciated by almost 30% in the last 12 months. Has this depreciation had an impact on the finances/investments of the Cooperative? If so, how has the Board managed the positive/negative impact of the Kwacha depreciation?</i>	<p>The deterioration of the Zambian economy has negatively affected the Coop. The cost of doing business has gone up as a direct result of the movements in the currency. Prices of goods and services have increased especially the IT infrastructure and consumables are usually imported in the country. The Coop has responded to the negative economic movements by rationalizing its costs and suspending some of the projects. The Coop has and will introduce new products and partnerships for new income streams so that the cost of the economic slump can be mitigated. Furthermore, In order to curb effects of the devaluation of the currency and conform with current economic conditions, CareCoop has recently revised lending rates and other lending terms and conditions. This helps us safeguard the return on our core or largest investment, which is our loan book.</p>

			Further, for any other investments currently being pursued (mainly in the money markets), CareCoop always strives to negotiate rates of return that are favorable and reflective of risks attached (based on the concept of risk and return), given the current economic conditions.
Wallace Silwenga	PATH	<i>Now that members do not borrow as much as they used to because of the current loan conditions especially on the 20% savings threshold, What plans does the Business Development have to ensure that the Coop is sustainable, Rather than depending on income from loans?</i>	CareCoop prioritizes the main or core business, that is the lending business. Despite changes in loan conditions, CareCoop has recorded a continuous and significant growth pattern in yearly disbursements. This indicates availability of market/demand for loans currently leaving considerably low levels of disposable income for alternative investments. However, business diversification has continued to be our agenda and is part of our strategic objectives. That said, CareCoop has begun to pursue short term investments in the money markets to safeguard funds for business diversification. Various alternative businesses are currently being explored for implementation once the organization is liquid enough to pursue and fully actualize this agenda. Various partnerships have been signed and continue to be pursued as a way of diversifying our income sources and this gives us additional income without the burden of additional cash investment using the available human resources and systems.
Veronica Zulu		<i>With the world going digital can you also move towards that direction cause most of us not participating in these meetings. We need zoom meetings</i>	This is acknowledged and progressive. CareCoop will look into the possibilities of ensuring that the AGM is accessed through digital platforms as well. We shall explore the modalities required for this to be achieved effectively and in conformity with our By-Laws.
Jully Mwansa Chilambwe	General Member	<i>Is it possible for CARECOOP to allow individuals to join the Cooperative as General Members if there is proof to maintain their membership by transacting through Direct Debit and Credit Clearing (DDACC)?</i>	Members that exit member organizations are still allowed the same benefits as any other member employed by member organizations, provided that they are able to show consistency in their savings and loan repayments via the available remittance channel for this category of membership (DDACC). It is therefore possible for an already existing member to transition to General Membership, should they be self-employed or employed by an organization that is not affiliated with CareCoop. However, the CareCoop model/capacity may currently be unable to incorporate the enrollment of General Members individually (at the first point of recruitment or entrance), as CareCoop has a closed membership model.
Reuben Melele Chongo	General Member	<i>How can a general member who is unable to present a running 3-year employment contract or even a shorter contract qualify for any of these empowerment loans - commodity, vehicle and building ?</i>	Members who are not formally employed may access loans based on our terms and conditions for General Members in business. These are highlighted on our loan application form and include provision of the below items: <ul style="list-style-type: none"> - Cashflow projection for the business - Bank account statement for at least Six months - Valid Tax clearance certificate from ZRA - Demonstration of consistency in remittance of savings contributions
Malama Mwila	Save the Children	<i>I have seen the revised loan products but my question is, are these adequate looking at the</i>	The changes in loan terms take into account average demand based on current trend. Members can access a combination of various loan types up to K500, 000.

		<i>current economic situation? For example, with the cost of cement now, K300,000 building loan is not sufficient. Can the Cooperative consider at least K400,000 to K450,000 on condition that the member is still able to pay back within 36 months and has the required savings? If possible there can also be consideration for higher building loan products of the aforementioned K400,000 to K450,000 for members who are also shareholders</i>	
Edrick Maseka	JSI USAID DISCOVER HEALTH PROJECT	<i>I would like to find out why the savings are not updated since the inception of deductions.</i>	CareCoop acknowledges the need for member records to be updated timely. The organization may have in the recent past been faced with some operational challenges in ensuring that this is effectively achieved, however, CareCoop is currently making strides internally to ensure that dedicated efforts are invested in this significantly important aspect of our operations and change is expected, especially that we are devoted to ensuring that our recently launched E statement portal serves its purpose of informing members of their “current” record status with CareCoop.
Wallace Silwenga	PATH	<i>I have observed that you credit savings interest on our savings on a monthly basis and our statements are not up to date. Meaning that, members are losing out because interest will be run on the same balance for two to three months as savings statements are not updated on time. What plans does the Coop have to rectify this problem and how will you compensate members on the interest lost?</i>	Interest is calculated and paid on monthly closing balances. This approach ensures that our members do not lose out on their interest on savings despite the delayed update of their records. The Coop has re organized its resources internally to ensure that dedicated resources are now available for this exercise of effective member records update. Furthermore, the Coop has planned for financial resources to acquire a core banking system that will eliminate challenges and limitations with our existing MIS system.
Moses Mumba	CARE International in Zambia	<i>My account is showing I still have loans with the CARE Coop when we liquidated a couple of years ago. Is the debt management system got challenges?</i>	CareCoop acknowledges that some of our member records may be distorted due to various legacy operational activities. The Coop is however currently investing in ensuring accuracy in member records and members are encouraged to contact us for reconciliations in instances where records are under dispute. CareCoop is willing and dedicated to ensuring that these are addressed, now more so that we recently launched an online statement portal whose significance or value may be fully realized when records are accurate and up to date.
Rabson Musompo	General Member	<i>Landowner at Coop Mungule: No official documentation has been provided as proof of payment for this transaction apart from the savings Account statement indicating the deduction made by the cooperation.</i>	Letters of offer for the Mungule Land were given out and member is encouraged to contact CareCoop to get this document as title is awaited.

Rabson Musompo	General Member	<i>When will title deed be ready</i>	Management is now working with a lawyer for conveyancing of the properties so that CareCoop may avail certificate of title to our members. Once ready, members will be contacted for confirmation of details for the legal documents pertaining to the plots.