



# AMFIU

ASSOCIATION OF MICROFINANCE INSTITUTION OF UGANDA



# ANNUAL REPORT

# 2021

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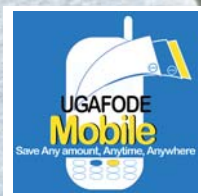
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## BOARD OF DIRECTORS



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(Executive Director, Pride Microfinance  
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Board Member, (Chief Executive Officer,  
ASA microfinance Uganda Ltd)



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SACCO



**Mr. Paul Katende**  
Board Member, (Chief  
Executive Officer, Soluti  
Finance East Africa Ltd)



**Mr. Shafi Namboobi**  
Board Member, (Chief  
Executive Officer, UGAFODE  
Microfinance Ltd (MDI)



**Mr. Moris Ngabitho**  
Board Member (Managing  
Director, ENCOT Microfinance  
Ltd)



**Mrs. Jacqueline Mbabazi**  
Ex-Officio (Executive Director,  
AMFIU)

## AMFIU MANAGEMENT AND STAFF



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EXECUTIVE DIRECTOR



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FINANCE & ADMINISTRATION  
MANAGER



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**Robert Ntalaka**  
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**Susan Mucyo Harera**  
SENIOR PROGRAMME OFFICER  
- RESEARCH, ADVOCACY AND  
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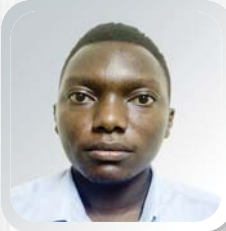
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INCLUSION



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- Financial Management
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- Strategic planning

- Agriculture financing
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- Loan collection services
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#### 6. Research in various research areas.



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## PRESIDENT'S MESSAGE

On behalf of the Board of Directors, I welcome you all to this year's Annual General Meeting (AGM) and I thank you for the work you are doing in transforming the lives of our customers. I thank you also for your unwavering support to AMFIU.

It is my pleasure to present to you the AMFIU 2021 annual report, a year that still presented the challenge of the Covid-19 pandemic but also opportunities that the microfinance sector could take advantage of. This report provides details on the initiatives and milestones that the association has achieved but I will highlight a few critical developments for your attention.

### Covid-19 Interventions

During the year, the country went through yet another lockdown due to the Covid-19 pandemic and with it came disruptions in the operating environment. We therefore had to devise initiatives that could provide some level of support to the members during these challenging times. Below is a highlight of some of the initiatives;

- i. We worked with the ministry of works and transport to provide travel permits to members operating in Kampala and Wakiso districts to enable at least their top management go to their offices when required.
- ii. AMFIU partnered with the International Fund for Corporation (IFC) to build capacity of the members on how to navigate through these challenging times. Accordingly, virtual trainings in stress testing, portfolio management in crisis times, business continuity planning and digital finance were delivered to the members and attended by a total of over 587 participants.
- iii. In partnership with FSDU and IFC, a stress exercise was conducted on the microfinance sector using data from the Performance Monitoring Tool (PMT) and the report produced helped inform government and other development partners' interventions.
- iv. Capacity building in risk management was conducted for 12 SACCOs with support from aBi. This involved conducting risk management assessments, training board and senior management and the development of simplified risk management frameworks for the SACCOs
- v. AMFIU provided industry performance data to FSDU that supported the development and eventual approval of the proposal to Mastercard Foundation for the establishment of the Micro and Small Enterprise Recovery Fund that is aimed at building the resilience and capacity of Tier 3&4 financial institutions that serve micro and small enterprises. On this note, I wish to encourage all members to ensure that they always submit their PMT reports because possession of this data has given AMFIU an edge in the industry. We have also started producing quarterly industry performance reports and having a bigger sample will make these reports more credible.

## **CITI Microentrepreneurship Awards**

We held the CITI Microentrepreneurship Awards ceremony where we recognized exceptional microentrepreneurs. The importance of this event is that it recognizes the efforts of our end customer so that we do not lose focus of our goal as the well being and economic empowerment of our customers. The Chief Guest at this function was Mr. Michael Atingi-Ego, the Deputy Governor, Bank of Uganda who awarded thirty-five (35) microentrepreneurs with platinum, gold, silver, bronze and certificate awards that were accompanied with cash prizes. This year's awards saw an introduction of a new category of winners for the most resilient business during the covid-19 pandemic.

## **Corporate Governance**

As I conclude my term as AMFIU national President, it wouldn't be prudent for me not to highlight the key governance milestones that have been reached during my term and these include;

- i. The re-instatement of functional Board Committees which have led to deeper contribution and technical guidance by the Board
- ii. Review of the Association's policies. The human resource manual, finance and accounting manual, the Board manual and the constitution were all reviewed and are up-to-date.
- iii. Development of the 2022 - 2026 Strategic Plan which replaces the 2017 - 2021 strategic plan that expired in December 2021.
- iv. A board evaluation was conducted that spelt out the strengths and gaps that the board will continue to work on to improve AMFIU's corporate governance.
- v. All quarterly Board and committee meetings have been held within the stipulated time

## **AMFIU's Sustainability**

This has been a challenge of the Association considering its not-for-profit nature. I recall my predecessor pointing out that a Business wing was registered and requested the up-coming board to ensure that it is operationalized. This was achieved as ABC was launched in November 2019. Much as strides have been made and actually this year, ABC registered some profit, the company has faced challenges the major one being the lockdown just a few months after it was launched. I therefore also call upon the continuing Directors and management to ensure that ABC is firmly established because it's central to AMFIU's continuity. I wish to extend my sincere appreciation to the following members that contracted ABC to carry out assignments in their institutions during this year; UGAFODE Microfinance, SOLUTI Finance EA Ltd and MCDT SACCO and encourage other members to do the same

## **Bereavement**

This year saw the ravaging of the Covid-19 pandemic and many members lost loved ones and I wish to extend my condolences to them. Notably in our sector was the passing of Mr. Gideon Badagawa, the ED for Private Sector Foundation, Mr. Everest Kayondo, Board member MADECOT SACCO and most recently, Mr. Henry Mbaguta, the Assistant Commissioner for Microfinance under the Ministry of Finance. Their dedication and commitment will be missed dearly.

## Appreciation

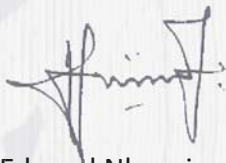
I wish to point out that it's been a pleasure serving on the AMFIU Board and that I will be handing over an organization that has attained stability and pray that the ones that are taking over will accelerate this growth further. I handover a professional workforce that is ably running the Association, a strategic plan that clearly lays down AMFIU's priority areas for the next five years, an improved financial position and streamlined board systems that ensure smooth succession.

I wish to extend my sincere appreciation to the members that have always supported the Association when called upon, my fellow Board members who have shown utmost commitment and management that have made my term of office a fulfilling one.

Last but not least, I extend my appreciation to the following development partners that have supported us and enabled us achieve everything we have done during this year:

1. CITI Bank for supporting the CITI Microentrepreneurship Awards
2. aBi for supporting capacity building in risk management
3. The Norwegian Association for the Disabled (NAD) for supporting the I-Save economic empowerment programme
4. Water.org for supporting the Water Credit Adoption Programme
5. IFC for supporting post covid capacity building interventions
6. DSIK for supporting training in business simulations, farmer games, financial literacy in schools and development of the credit information sharing platform
7. Financial Sector Deepening (FSDU) for supporting research and advocacy initiatives

Thank you once again and I wish everyone a fruitful year.



**Edward Nkangi**  
**National President**



**Jacqueline Mbabazi**  
EXECUTIVE DIRECTOR

## EXECUTIVE DIRECTOR'S MESSAGE

It is with gratitude that we present to you the highlights of the year 2021 and being thankful to finally hold a physical AGM. Despite the volatility of the work environment here and globally, we thank God for the favour and Grace He bestowed upon us during the year.

I wish to begin by extending our sincere appreciation to the members for standing by us during this year, supporting us, providing guidance and paying their subscription on time even when they were also going through financial challenges. We do not take this commitment for granted. We hope that our services to you met at least some of your expectations. While the report gives a level of detail of the activities carried out throughout the year, allow me to give a few highlights for your information.

### New Members

During this year, the AMFIU family grew by twelve (12) members (eleven ordinary members and one associate member). A very warm welcome to the new members and we look forward to having a mutually beneficial relationship.

### Member Capacity Building

Capacity building of members is a key activity at AMFIU to ensure that our members continue to uphold professionalism and remain abreast of current innovations and trends. This year was particularly another challenging year due to the Covid-19 pandemic that led to restricted physical movements during the lockdown, coupled with changing donor priorities. Despite this, AMFIU was able to conduct both virtual and physical trainings in the following areas;

- i. Risk management
- ii. Consumer protection
- iii. Financial literacy
- iv. Entrepreneurship and business skills development for refugees
- v. Business skills development using simulation games
- vi. Farmer games
- vii. Water credit product development
- viii. Stress testing
- ix. Business continuity planning
- x. Digital financial literacy for consumers

The details of the members that received these trainings are within this report

## Refugee Financing

During this year, AMFIU entered into the refugee space by partnering with the UGAFODE/SIDA/Grameen Credit Agricol funded programme on refugee financing and built capacities of UGAFODE refugee customers based at Nakivale camp in entrepreneurship and business skills development. We also participated in a study conducted by FSDU to understand the capacity gaps and financial service needs among refugees. Our Membership and Financial Inclusion Manager was also trained by the International Labor Organisation on refugee financing and we intend to use the knowledge acquired to expand our interventions in the refugee space.

## Dissemination of SACCO Regulations

An online dissemination forum for the SACCOs was held with the objective of educating the SACCOs on the SACCO regulations in order to prepare them for compliance. A representative from Uganda Microfinance Regulatory Authority (UMRA) presented the regulations and opened it up for discussions. This created more insights and better understanding of what is required of the SACCOs. The forum was attended by 80 participants from different SACCOs.

## Understanding Sector Challenges amidst the Covid-19 Pandemic

We also collected data on the challenges that our members were facing and apart from the financial challenges, the major capacity building challenges identified included;

- Building institutional capacity in designing and implementing business continuity and recovery plans
- Setting up simple risk management frameworks
- How to report on restructured loans
- How to negotiate with wholesale lenders during challenging times

Through our partnership with IFC and aBi, we were able to support the first three and we are looking for partnerships that can build capacities of our members in financial negotiation skills.

## Stress Testing of the Microfinance Sector

We conducted a stress testing exercise for the Uganda microfinance industry with support from IFC to establish stress levels of the sector due to the impact of the covid pandemic. The major findings were that while Tier 3 could survive about 8 months after the shock, Tier 4 institutions could only survive two months on average and while the sector remained fairly profitable, the liquidity position of Tier 4 had massively deteriorated. This was made worse by the fact that majority of the Tier 4 institutions do not have liquidity reserves. The report recommended an injection of UGX.45B for the Tier 4 institutions in a one-year period to improve their liquidity position. Data for this exercise was obtained from the PMT reports and this information was shared with government and development partners.

## Lobby, Advocacy and Networking

AMFIU took part in the following events as part of its networking mandate;

- i. Technical Committee meetings of the Sustainable Business for Uganda (SB4U) organised by PSFU and the European Union. AMFIU's role on the committee is to contribute to discussions on access to finance for MSMEs
- ii. Review of the financial inclusion strategy meetings organised by Bank of Uganda and Ministry of Finance
- iii. Technical committee for Microfinance meetings organized by the East African Community (EAC) to review provisions in the EAC Microfinance Act
- iv. The Financial Markets Developments Committee chaired by BOU
- v. The consumer protection committee under the National financial inclusion strategy

## Future Outlook

As the covid pandemic seems to be getting behind us, we are hopeful for a rejuvenated sector although we are cognizant of the fact that its effect will linger around for some time. Some of the lessons that we learnt through this challenge is that technology can no longer be avoided and that customer focus and stakeholder relationships are key to survival of any business. In this regard, we are hoping to place more emphasis on supporting our members' digital journeys through training for both the MFIs and their customers, providing information on appropriate and affordable solutions on the market and linking them to potential funders to support their digitization process. We will also place emphasis on ESG (Environment, Social and Governance) as this is a global trend and if our members are to compete for the limited resources on the market from development partners, they will need adopt this.

We look forward to a fruitful 2022 as God blesses the works of our hands.



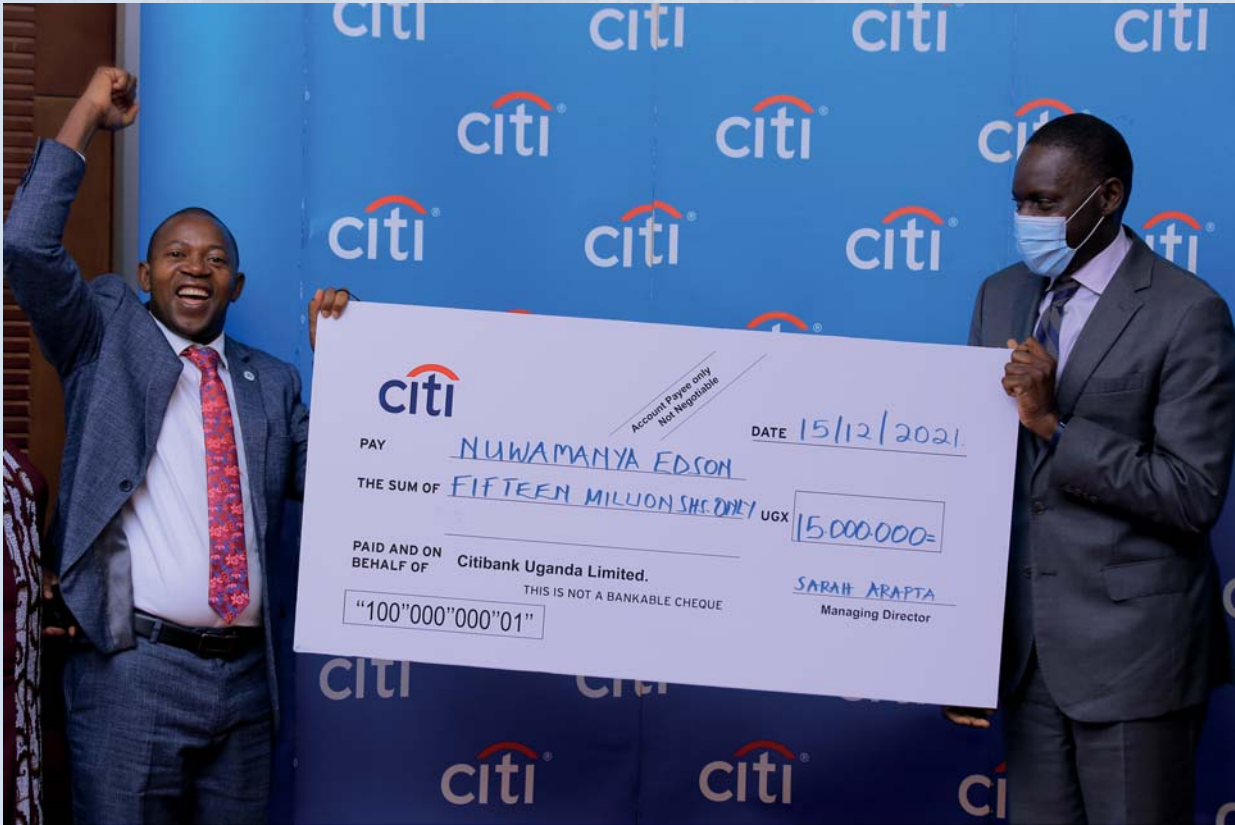
Jacqueline Mbabazi  
**Executive Director**

# CONTENTS

PRESIDENT'S MESSAGE .....	v
EXECUTIVE DIRECTOR'S MESSAGE.....	viii
ACRONYMS.....	5
1. INSTITUTIONAL BACKGROUND .....	6
1.1 Legal Status and Mandate .....	6
1.2 Vision Statement .....	6
1.3 Mission Statement.....	6
1.4 Core Values .....	6
1.5 Governance .....	7
1.6 Strategic Objectives (2022 - 2026).....	7
1.7 Membership .....	9
2. PROGRAMME IMPLEMENTATION: KEY ACHIEVEMENTS - 2021.....	9
2.1 Membership Development .....	9
2.1.1 Member Recruitment and Retention.....	9
2.1.2 New Member Orientation .....	10
2.1.3 Participating in the SACCO AGMs .....	10
2.2 Capacity Building.....	10
2.2.1 Online Capacity building sessions .....	11
2.2.2 Training in Water Supply and Sanitation Financing.....	11

2.2.3	Promotion of Water and Sanitation Loan product among Institutions.....	13
2.2.4	Technical Assistance in Water and Sanitation.....	14
SUCCESS STORY: WSS LOAN PRODUCT AT HOFOKAM LTD.....		15
2.2.5	Client Protection .....	18
2.2.6	iSAVE Inclusive Economic Empowerment Program.....	18
DISABILITY INCLUSION AT OPPORTUNITY BANK UGANDA LIMITED (OBUL).....		21
DEALING WITH DISABILITY INCLUSION AT ADVANCE SMART MICROFINANCE.....		23
2.2.7	Business skills and entrepreneurship training.....	25
2.2.8	Refresher trainings.....	26
2.2.9	Financial literacy trainings.....	27
2.2.10	Digital Finance Services Training.....	29
VISIONFUND UGANDA'S DIGITAL TRANSFORMATION JOURNEY.....		29
2.2.11	Digital awareness Trainings.....	32
2.2.12	Financial education in schools:.....	33
2.2.13	Business Skills Development and Entrepreneurship for Refugees.....	36
UGAFODE'S FINANCIAL INCLUSION STRATEGY EMPOWERS REFUGEES.....		38
2.2.14	Capacity building for Soluti partners in Famers and Business games:.....	39
2.5	Research and Information.....	42
2.5.1	Information Documentation and Dissemination.....	42
2.5.2	Stress Testing for the Microfinance Sector.....	42
2.5.3	Financial Performance Monitoring.....	42

VOICES ON THE IMPORTANCE OF USING PORTFOLIO MONITORING TOOL (PMT) .....	48
2.6 Key initiatives.....	51
2.6.1 Development of a Tier IV Credit Information Sharing Platform .....	51
2.7 AMFIU Business Consult (ABC).....	51
2.7.1 Contractual Assignments executed.....	51
2.7.2 Mystery shopping .....	52
3. KEY EVENTS .....	53
Appendix 1 : Member Capacity Building .....	55
Appendix 2 : AMFIU Membership .....	58
<b>FINANCIAL STATEMENTS.....</b>	<b>63</b>



## ACRONYMS

ABC	AMFIU Business Consult
AGM	Annual General Meeting
AMFIU	Association of Microfinance Institutions of Uganda
CDFs	Community based facilitators
CEFODE	Community Empowerment for rural Development
CRB	Credit Reference Bureau
DFS	Digital Financial Services
FI	Financial Institution
MDI	Microfinance Deposit-taking Institution
MFI	Microfinance Institution
MoFPED	Uganda Ministry of Finance Planning and Economic Development
MSC	Microfinance Support Centre
NAD	Norwegian association of Disabled
NGO	Non-Governmental Organization
NUDIPU	national Union of Disabled Persons of Uganda
PMS	Performance Monitoring System
PMT	Performance Monitoring Tool
SACCO	Savings and Credit Co-operative
SUPCO	Supervisory Committee
SPM	Social Performance Management
TOFI	Together for inclusion Program
TOT	Training of trainers
VSLAs	Village Savings and Loan Associations
WASH	Water, Sanitation and Hygiene
WCAD	Water Credit Adoption Program

# 1. INSTITUTIONAL BACKGROUND

## 1.1 Legal Status and Mandate

The Association of Microfinance Institutions of Uganda (AMFIU) is an umbrella organisation of microfinance institutions (MFIs) in Uganda. AMFIU was founded in November 1996, through the collaboration of several organisations with interest in microfinance. The main reasons for its establishment were the needs for MFIs to have a common voice; to lobby government for favourable policies; to share information and experiences; and to link up and network with both local and international actors.

By end of December 2021, AMFIU had a membership of 131 institutions, comprising of both the ordinary and associate members. Ordinary membership is for institutions that are engaged in direct delivery of microfinance services as core or significant activity, and associate membership for other microfinance stakeholders and service providers that support the microfinance industry in different ways such as donors, consultants, Universities and MIS providers who may either be organizations or individuals.

## 1.2 Vision Statement

The vision of AMFIU is to be a strong, sustainable, and professional network of microfinance stakeholders in Uganda.

## 1.3 Mission Statement

The mission of AMFIU is “To provide demand driven and inclusive services that enhance the sustainability, growth and development of the microfinance sector”.

## 1.4 Core Values

AMFIU’s activities are driven by 6 core organization values listed below:

- ✓ Team work
- ✓ Reliability
- ✓ Accountability
- ✓ Member focus
- ✓ Professionalism

## 1.5 Governance

- i. **The General Assembly** comprising all members – Ordinary and Associate - is the supreme decision making body and meets annually at the Annual General Meeting (AGM).
- ii. **The Board of Directors** comprising seven members, elected by the General Assembly after every two years carries out policy and programme oversight. Members of the board are elected from both Associate and Ordinary Members. The Board approves the business plan, annual plan and budget, provides policy guidance and supervises the Secretariat staff. The Board meets on a quarterly basis. The board operates through three technical committees: Membership and Strategy, Human resource and finance committees.
- iii. **The Secretariat** is headed by the Executive Director and operates through three key departments;
  - Membership and financial inclusion department
  - Research, Information and marketing department
  - Finance and Administration
  - Business Development department which hosts the AMFIU Business Consult (AMFIU's commercial wing)

The Secretariat is responsible for the day-to-day administration and implementation of policies and activities.

## 1.6 Strategic Objectives (2022 – 2026)

1. Grow a membership base of at least 230 sustainable members by providing demand driven and affordable services
2. Promote responsible finance and financial inclusion in order to Increase consumer confidence in the microfinance sector
3. Leverage technology to improve research, information collection and dissemination
4. Influence policy through achieving success on atleast 80% of our lobby and advocacy issues
5. Enhance HR effectiveness and professionalism and ensure AMFIU's financial viability by covering 100% of our cost through internally generated revenue

During the year, the strategic plan was reviewed and below are the key aspirations for the period 2022 - 2026

No	Item	Key Strategic Aspirations
1	Flagship Services	<ul style="list-style-type: none"> <li>i. Digital financial literacy to improve usage of DFS among customers of MFIs</li> <li>ii. Training and providing technical assistance to microfinance institutions/ SACCOs and their clients in financial literacy, business skills development,</li> <li>iii. Capacity building in green microfinance, water credit</li> <li>iv. Microfinance sector performance monitoring</li> <li>v. Financial inclusion (enhancing access to financial services for vulnerable groups, promoting socially oriented financial products)</li> <li>vi. Entrepreneurship skills development for refugees using simulation models</li> <li>vii. Training and capacity building (governance, business skills, financial literacy, risk management, Digital Financial Services, product development, strategic planning, farm record keeping etc)</li> <li>viii. Social Performance management and consumer protection</li> <li>ix. Information dissemination to and about the sector</li> <li>x. Lobby and advocacy on behalf of the sector</li> <li>xi. Research on topical issues</li> </ul>
2	Key target group	<ul style="list-style-type: none"> <li>i. AMFIU ordinary members (MFIs and SACCOs)</li> <li>ii. Wholesale lenders</li> <li>iii. Government</li> <li>iv. Development partners</li> <li>v. Other financial services providers in the microfinance sector</li> <li>vi. Customers of MFIs/SACCOs</li> <li>vii. Vulnerable groups ( refugees, person with disabilities, youth, women)</li> </ul>
3	Delivery channels	<ul style="list-style-type: none"> <li>i. Physical</li> <li>ii. Virtual</li> </ul>
4	Competitive Advantages	<ul style="list-style-type: none"> <li>i. Recognized industry association</li> <li>ii. Sound institutional governance</li> <li>iii. Professionalism</li> <li>iv. Skilled personnel</li> </ul>

## 1.7 Membership

AMFIU is a member owned and member governed organization with a core mandate to promote professional standards of practice in microfinance. Membership development forms a core focus of programme implementation. AMFIU has defined its membership to attract all institutions that are involved in microfinance as a professional business and are committed to upholding the sound practices in their operations. Membership is therefore by choice and qualification and a specific criterion is in place to screen all potential members. Members are bound by the code of conduct which is enforced by the secretariat.

## 2. PROGRAMME IMPLEMENTATION: KEY ACHIEVEMENTS – 2021

### 2.1 Membership Development

#### 2.1.1 Member Recruitment and Retention

Deliberate efforts are made to ensure that all professional microfinance institutions become members of the Association and that they are retained through providing them with quality services that lead to increased outreach and promotion of professional microfinance sound practices.

Throughout the year, the Association continued to promote professional microfinance sound practice and recruit more new members to join the Association. During the year twelve (12) new members joined the association as highlighted below;

SN	Institution	Status	Category
1	Nzuri Trust Microfinance	Admitted	Ordinary
2	Ruhiira Millennium SACCO	Admitted	Ordinary
3	S&C Fintech Microfinance	Admitted	Ordinary
4	Mubuga SACCO	Admitted	Ordinary
5	Iryaruvumba SACCO	Admitted	Ordinary
6	CBS Pewosa Nsindika Njake Eyeeterekera SACCO	Admitted	Ordinary
7	Rwanyamahembe SACCO	Admitted	Ordinary
8	Glory to Glory SACCO	Admitted	Ordinary
9	Umoja Microfinance	Admitted	Ordinary
10	Buddu CBS Pewosa SACCO	Admitted	Ordinary
11	Development Microfinance Ltd	Admitted	Ordinary
12	Jubilee Insurance	Admitted	Associate

Table 1: New Members Admitted

## 2.1.2 New Member Orientation

An online orientation meeting for new members was held on 6th December 2021. The purpose of this meeting was to create awareness about AMFIU's mandate, give an overview of AMFIU's programmes and activities, get to learn the members' expectations from AMFIU and also inform them of their obligations. The new members were taken through the AMFIU member Code of Conduct which created a better understanding of what is required of them. The meeting was attended by 13 institutions with two participants from each.

## 2.1.3 Participating in the SACCO AGMs

The cooperative Act requires that SACCOs hold annual general meeting once every year. During the year, AMFIU joined some SACCO Member institutions during their Annual General Meetings

AMFIU joined ten (12) member SACCOs in central, western and Eastern Uganda to celebrate their Annual General Meetings. The SACCOs are as below;

- Ruhira Millenium SACCO
- Kyamuhunga Peoples SACCO
- Nyakayoojo Peoples SACCO
- Lyamujungu SACCO
- MAMIDECOT
- Kashongi Farmers SACCO
- Rukiga SACCO
- Shuuku SACCO
- Bagezza SACCO
- Bugadde SACCO
- Butuuro SACCO
- Mushanga SACCO

High default rate was a key concern among the SACCOs. AMFIU applauds SACCOs that held their AGMs amidst the Covid-19 challenges.

## 2.2 Capacity Building

Capacity building of members is a key initiative at AMFIU. However, this faced major challenges this year due to the required standard operating procedure guidelines issued by government as a result of the pandemic. The SOPs issued that barred physical gatherings constrained most of the physical trainings that had been planned. This meant that management had to quickly devise options to conduct these trainings while still adhering to the SOPs. Below is an overview of the capacity building activities conducted during the year and Annex 1 has the lists of the institutions trained.

## 2.2.1 Online Capacity building sessions

Following the second lockdown, members faced a challenging period that affected their business and that of their customers, liquidity challenges and capacity gaps on how to deal with restructuring their operations to suit the status quo. In response, AMFIU supported members to deal with these challenges in the following ways;

- I. In partnership with IFC, capacity building webinars were conducted in stress testing, portfolio management during crisis times and business continuity planning. A total of 558 participants from 98 institutions attended these trainings. The breakdown for each of the training sessions is shown below.

No	Training Area	No. of Participants	Date
1	Stress Testing	154	30 <sup>th</sup> August 2021
2	Portfolio Management in times of crisis	232	23 <sup>rd</sup> , 29 <sup>th</sup> , & 30 <sup>th</sup> September 2021
3	Business Continuity Planning	172	18 <sup>th</sup> October 2021

*Table 2: IFC Webinar Trainings*

- II. In partnership with aBi 2020, 12 members were taken through a risk assessment exercise. This was in preparation for the risk management training and the setting up of risk management frameworks in these institutions.
- III. Followed up with the Ministry of Finance on the proposal we submitted to provide financial relief to our members. The feedback obtained was that they would first support capacity building of the micro-entrepreneurs at parish level and then will create a fund where financial institutions can borrow.

## 2.2.2 Training in Water Supply and Sanitation Financing

Access to safe and affordable Water, Sanitation and Hygiene (WASH) infrastructure and services is essential for quality life. MFIs are beginning to help fill this gap by providing water and sanitation loans to households and businesses.

AMFIU with support from Water.Org continued to conduct trainings in support of the development of water supply and sanitation credit products among financial institutions under the Water Credit Adoption Program (WCAD).

During the year, a training to develop a water supply and sanitation loan product was conducted for Koboko United SACCO. This handled various areas under the water supply and sanitation loan product. The training included both the Board and Management of the SACCO with an objective of getting their buy in to develop and integrate WASH credit products in their SACCO's portfolio.

The two days training was held on the 11th and 12th of February 2021 and attended by a total of seventeen (17) participants who included nine Board and SUPCO members and top management.



*Water Supply and Sanitation training at Koboko United SACCO*



*Group presentations during the WSS training for Koboko United SACCO*

Similarly, an online training curriculum was developed which includes the nine (9) training modules under WSS. And this was used to conduct an online training on understanding clients' needs and dealing with objections. This was done on the 25th August and a total of 56 participants attended from the 22 Partner Institutions on the program.

## 2.2.3 Promotion of Water and Sanitation Loan product among Institutions

### a) Regional WSS Stakeholders dialogue meeting to create linkages

A regional stakeholders meeting on Water and Sanitation as a loan product was held in the central region. The meeting was attended by stakeholders in Water and Sanitation located in the region together with Institutions in the central region offering water and sanitation loan products. It was observed that water and sanitation loan products cannot be offered in insolation of other players in that space. The meeting was therefore held to create and develop synergies between Institutions and stakeholders/service providers in water and sanitation. The meeting was attended by eleven (11) companies and seven (7) financial institutions.

### b) Online Peer Learning

Two online peer learning forums were organized for the WCAD partners to learn from each other through experience sharing on how WASH credit products are developed, piloted, and rolled out in an institution. Presentations were made by Finance Trust Bank, Uganda Sanitation and Hygiene and Opportunity Bank. These shared their experience in implementing the product, sighting success factors, challenges and mitigation measures. This gave insights to the participating Institutions on how best they can fully integrate WASH products within their institutions. A total of 76 participants from 24 Institutions benefited from this meeting.

### c) Community Sensitization on Access to safe Water and Sanitation

Members of Lyamujungu SACCO located in Kabale district were sensitized on the need and importance of safe water and sanitation. This was done in three zones in Kabale during the SACCOs pre AGMS meetings. A total of 540 members attended the sanitization sessions. It helped in creating awareness and encourage members to access Water and sanitation loans from SACCO.

### d) Radio Campaigns

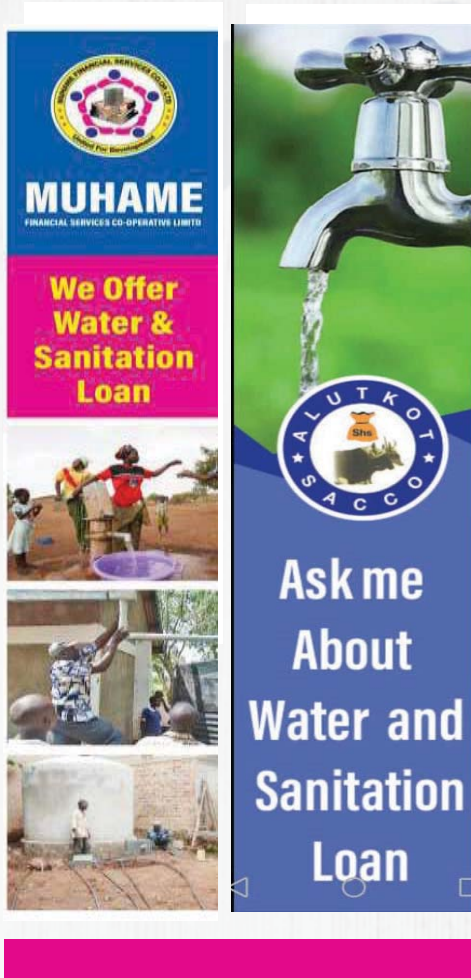
Radio talk shows were held with partner institutions in various regions with the aim of promoting and advertising the WASH credit products. Below are some of the radio shows held;

Name of Partner	FM Station	District
Vision Fund Uganda	KAFO FM	Kyotera
Lyamujungu SACCO	Voice of Kigezi	Kabale
Loro Oyam SACCO	Shine FM	Oyam

The program also supported institutions to run radio spots as a way of creating awareness and increasing demand. Institutions that ran radio spots were ENCOT Microfinance, Tujjenge Financial Services, Muhame Financial services, Alutkot SACCO, Lyamujungu SACCO, HOFOKAM Ltd, UGAFODE Microfinance and Vision Fund Uganda.

### e) Printing of WSS promotional Materials

As another way of creating awareness and promoting WSS loans among clients of financial Institutions, the WCAD program offered promotional materials inform of teardrops, brochures, and banners. A total of 10,800 brochures, 16 standup banners and 42 teardrops were printed for the WCAD partner Institutions. The program also collected success stories from clients of five Institutions and produced a publication on implementing water supply and sanitation loan product among Financial Institutions.



### 2.2.4 Technical Assistance in Water and Sanitation

AMFIU continued to offer technical Assistance on Water and Sanitation loan product in areas where partners found challenges and needed intervention. These were mainly on reporting, segregating WASH loans from other related loan products and specificities of a WASH product. Discussions on the program performance, reporting and ways to improve performance of WSS loan product was also done with the participating institutions.



*Staff of MAMIDECOT after a technical meeting on the WASH product*

## SUCCESS STORY: WSS LOAN PRODUCT AT HOFOKAM LTD

### HOFOKAM Background

HOFOKAM Ltd is a non-deposit taking microfinance institution owned by the three Catholic Dioceses of Hoima, Fort portal and Kasese. It commenced operations in 1994 following the merger of three village banking microfinance programs of the three dioceses. HOFOKAM serves people with low incomes in rural areas in 12 districts in Western Uganda with 9 branches. It offers WASH loans to individual borrowers, groups, and WASH service providers to help increase access to water and sanitation. HOFOKAM uses credit officers as front-line staff to market the product.

### Development of WASH Loan Products

AMFIU supported HOFOKAM to build its capacity in developing and delivery of WASH loan products. Following the capacity building, HOFOKAM reviewed their WASH loan product to aid households and communities in accessing high quality safe water and sanitation. HOFOKAM is financing a range of WASH activities all grouped under the water and sanitation loan product. Some of the WASH activities financed include the following:

1. Piped water connection: The activities focus on households or institutions in need of piped water connection. Most of the connections target households that can be served with piped water from National Water and Sewerage Cooperation (NWSC). The credit officers are highly involved in the mobilization and sensitization of the clients to help them understand the loan product terms.
2. Improved pit latrines: This activity involves households/clients constructing new latrines or improving the old ones through renovation or upgrade from traditional to modern latrines.
3. Loans for WASH-related micro-businesses: This activity focuses on construction of dams to tap surface water, and drilling of wells to tap under groundwater, for distribution to water users and animal/livestock use.
4. Water harvesting and storage: This activity focuses on households in need of purchasing rainwater harvesting tanks. The tanks vary in size and are financed depending on the size and cost of the water tank

The WASH product has a product champion who is the product's main proponent and assumes responsibility for managing the development process. Although the product champion is responsible for the oversight of the product, the day-to-day tasks are undertaken by the respective credit officers and these are critical to the product's ultimate success.

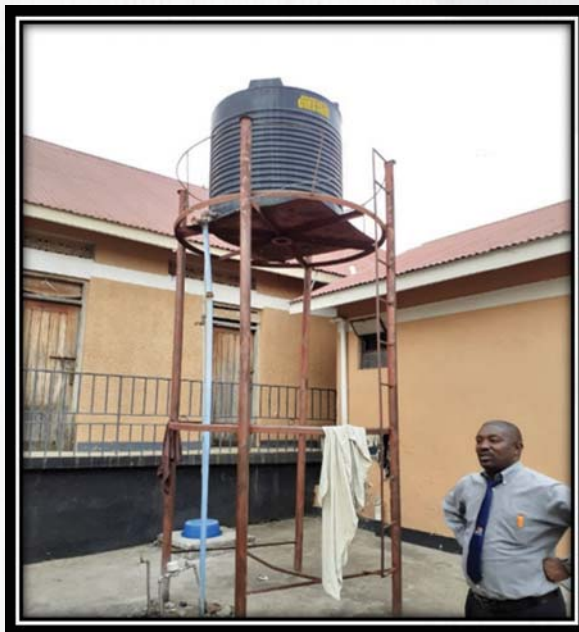
## Marketing WASH Loans

The credit officers engage clients/households with information on the need for WASH systems, benefits to households and the available financing options for the purpose of constructing an improved WASH system. They do sensitization and mobilisation of clients at all levels to grow the product portfolio. HOFOKAM markets the product through radio adverts, staff, fliers, brochures, banners and sometimes local leaders to ensure communities are informed about the WASH products.

## Analysis of WASH Loans

HOFOKAM has been offering WASH Loans effectively for three years and the WCAD program supported refining the product leading to its significant growth. There is a significant increase in portfolio volume of over 100% and number of loans from 34 clients as of December 2018 to 341 clients as of December 2021. Before the onset of Covid 19 in Uganda (March 2020) loan repayment was good and the portfolio at risk was well under manageable levels. However, the effects of covid19 pandemic since March 2020 caused a disruption in repayments thus affecting portfolio quality.

## Benefits of WASH Loans to HOFOKAM



*Mr. Leo Mumbere, Manager, HOFOKAM - Kamwenge Branch visiting one of the clients HOFOKAM funded to buy a storage tank, stand and water connection.*

While partnering with AMFIU under the WCAD program to improve WASH services, HOFOKAM has noted the following benefits:

1. It has observed that WASH loans bring in other business values and also help in achieving the HOFOKAM's Corporate Social Responsibility (CSR) objectives.
2. WASH loans are advanced to both new and existing clients. This shows that WASH loans help attract new, and retain the old ones by offering an additional loan product which is key in supporting HOFOKAM's core business.
3. WASH loans increase client loyalty as HOFOKAM presents new products to the existing clients, and because of the diversified product range, the volumes of business and revenue both increase.

## Challenges Faced by HOFOKAM in the Delivery of WASH Product.

Some of the challenges hindering HOFOKAM to deliver the services effectively and efficiently include:

1. Volatile business environment: HOFOKAM staff mentioned that most of their WASH loan clients operate businesses that have been affected by the COVID-19 pandemic. This may lead to delayed loan repayments. Owing to the same factor, new clients became hesitant to take loans due to uncertain cash flows.
2. Lack of proper WASH product awareness: Many potential clients do not understand the need to have improved latrines or improved water sources due to the environment they live in. There is a need to systematically design suitable awareness messages targeting clients to change their perceptions on the need and usage of WASH facilities.
3. Lack of adequate funding for WASH loan products: As the WASH product portfolio continues to grow, there is need for HOFOKAM to access more funding not tagged to productive activities. HOFOKAM needs more tailored sources of funds to be able to finance WASH products.

## Lessons Learnt

A number of lessons have been learnt by Hofokam in their provision of WASH products.

1. To effectively meet client needs and grow a good quality portfolio, an MFI needs to work hand in hand with WASH product/service providers who interface with potential clients most times.
2. MFIs need to have technical capacities to assess WASH infrastructure but also be in position to understand the processes and technicalities of setting up WASH systems and the type and cost of products available in the market to fulfill the different WASH needs.
3. Marketing of the WASH loan is a highly involving process and staff need to have to physical/personal engagement with the prospective clients to explain the need for and benefits of the WASH systems/infrastructure in a household.

*"I believe the WASH products have really changed the lives and livelihood of our people. Here at HOFOKAM, we are able to expand opportunities to other clients and also get referrals from the contented clients after acquiring the much-needed WASH infrastructure using a loan and paying back in easy and manageable installments"*

Tito Tumusiime, Credit Officer and Product Champion

## 2.2.5 Client Protection

Mobile money agents are becoming the face of the financial institutions. In response, AMFIU decided to start building capacity of the mobile money agents in customer care and consumer protection principles.

During the year, a training on the client protection principles was held for 100 mobile money Agents on 12th October 2021 at Bat valley theatre. This was meant to educate the mobile money agents on consumer protection concerns that arise out of the use of mobile money transactions like money laundering, privacy of client data, complaints handling and transparency. Mobile Network Operators (MTN and Airtel) and the Uganda Police also briefed the participants on common fraud scenarios and complaints from the public.

In addition, consumer protection continues to be integral to building customer trust and supports in building a stable financial system. During the period, AMFIU organized an online training on 27th April in client protection for 13 Institutions which included; Ikwera SACCO, Advance Smart Microfinance, Kahunge Rural SACCO, RUFU, Bagezza SACCO, EBO SACCO, Destiny, Moyo SACCO, Mateete Microfinance, MADFA SACCO, Jennis Finance, Kyamuhunga peoples SACCO, and Koboko United SACCO. The training helped in building capacity and appreciation of client protection as a component in their operations.

## 2.2.6 iSAVE Inclusive Economic Empowerment Program

AMFIU with her long-term partners National Union of Disabled Persons of Uganda, (NUDIPU) and Norwegian association of Disabled, (NAD) continued with the implementation of the iSAVE inclusive Economic Empowerment Program. The program focuses on provision of equal opportunities for Persons with Disabilities to access formal, informal financial services and livelihood programs. The program operates through strategies of;

- Inclusion in formal financial services through building awareness and supporting capacity of Financial Institutions to provide services to persons with disabilities
- Access to informal financial services through the iSAVE Saving group model.
- Support Business skills development and financial literacy.

AMFIU as an implementing partner focuses on the formal financial services through developing partnerships with member financial institutions that foster deliberate actions to serve persons with disabilities and also supports the component of business skills development and financial literacy for the iSAVE beneficiaries. In the year 2021 the activities were carried out as follows;

### a) Linkage Banking

Linkage meetings between MFIs (Opportunity Bank, UGAFODE, Brac Uganda Bank and Finance Trust Bank) and iSAVE group leaders were held in six districts of Buikwe, Jinja, Mayuge, Luuka, Moyo and Yumbe. These meetings offered an opportunity where feedback was shared about the financial services accessed by 63 groups who opened accounts. At the meetings, the District Community development officers for the respective districts pledged to support the registration of groups that was a major hindrance to accessing formal financial services.



*Linkage meeting discussions for Jinja stake holders at Bax Hotel in Jinja.*



*Participants from Buikwe district local government, bank officials and District union executive after meeting at Stone Castle Hotel, Lugazi*



*The DCO of Adjuman, sharing with stakeholders for possible linkages.*

## **b) Dialogue meetings**

Dialogue meetings were held in the four TOFI districts of Moyo, Yumbe, Luuka and Mayuge. Institutions present included Moyo district local government SACCO, Mt Otce Metu SACCO, Vision Fund Uganda and Sterbino consults while in Yumbe, the institutions present included Brac Uganda bank and Post bank. The meeting was meant to discuss and share information on the financial and BDS services available to strengthen the iSave groups.



*Participants after a dialogue meeting of iSAVE TOFI stakeholders with BDS and financial service providers in Moyo*



*BRAC bank Manager, yumbe sharing with participants at yumbe dialogue meeting*



*Participants discussing at Yumbe dialogue meeting.*





Opportunity Bank Uganda Limited (OBUL), is a socially oriented commercial Bank regulated by Bank of Uganda. OBUL has over 270,000 clients of those about 12,000 are persons living with disabilities (PWDS). The bank has 24 branches spread across the country, with 15 branches serving rural communities.

OBUL's mission is to transform the lives of the financially excluded and underserved persons of Uganda, their families and communities. The bank strategically focuses on women, youth, persons with disabilities and other vulnerable groups like refugees

Driven by its mission of transforming lives, in 2010 OBUL started on the journey of disability financial inclusion with support from the Association of Microfinance Institutions of Uganda (AMFIU). OBUL has largely benefited from the partnership with

AMFIU in a number of ways: AMFIU has provided financial support to OBUL, trained staff on disability and linked OBUL to NUDIPU under the isave program. AMFIU, has conducted several Disability inclusive assessments that have helped the bank to be more disability inclusive. In 2015, AMFIU performed a Disability Inclusive Assessment to review OBUL's capacity to serve people with disabilities. During the assessment AMFIU looked at five key areas within the bank:

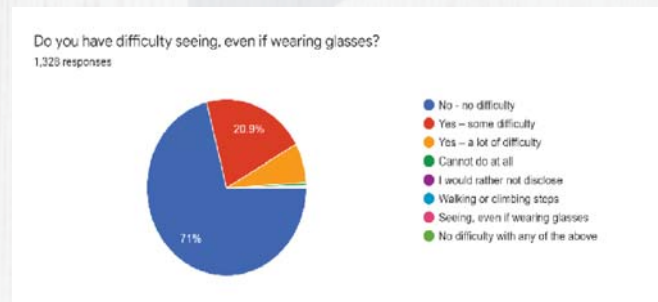
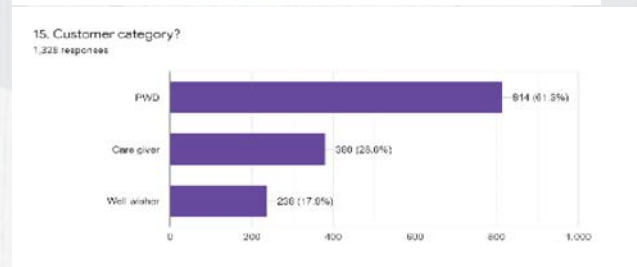
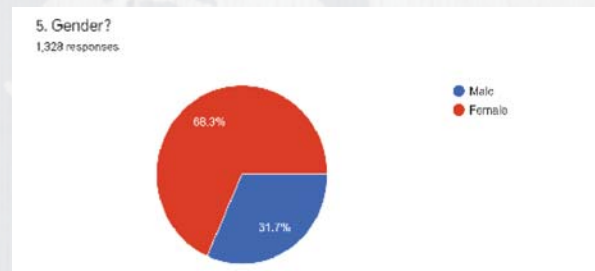
i) Strategic Focus, ii) Partnerships, iii) Internal Systems, iv) Accessibility and v) Customer Focus. At the time of the review three areas: Strategic Focus, Partnership and Customer Focus scored above average, while two: Internal Systems and Accessibility scored below average.

AMFIU found that OBUL's HR policies were weak in terms of disability inclusion, in particular the Diversity Policy made no mention of disability. Basic data on disability was captured in account and loan application forms, but it was not compliant with internationally recognized standards, and data was not used to make management decisions regarding appropriate products and services for persons with disabilities. At the time, it was also felt that more could be done to make branches more accessible.

Following the assessment, a formal agreement was established between OBUL, AMFIU and NUDIPU under the iSAVE programme. Since then, some progress has been made towards disability inclusion. OBUL updated its HR policies with the inclusion of a clause on disability in its Harassment/Anti-Discrimination Policy, and the addition of an explicit Equal Opportunities clause in its Recruitment Policy. Over 200 staff have been trained on disability awareness. OBUL has also worked on creating a safe, accessible environment to enable persons with disabilities to visit/work at Head Office and transact at local branches, e.g. having an elevator at Head Office, phasing out upstairs office space in branches, introducing ramps, rails and lower counters in new branches, and remodeling older branches. The Washington group of questions have been adopted in data collection, and disability data has been included in the MIS Dashboard.

In order, to ensure that OBUL serve more PWDS, partnerships have been built with a number of the like minded organizations like, Opportunity International (IO), Community Fund, Cheshire Service Uganda (CSU), National Union for persons with disabilities in Uganda (NUDIPU), National Union for women with disabilities in Uganda (NUWODU) and district Unions for PWDS(DUs),

OBUL has successfully implemented a 3 year Mainstreaming financial inclusion in Uganda project in the Eastern and Northern parts of Uganda. The number of persons being served by the bank has tremendously increased from 500 in 2010, to about 12,000 PWDS, PWDS have been able to save and about 2 billion in savings cumulative in just two years and have taken loans worth 1 billion shillings in the same period. Over 15,000s PWDS and care givers have been trained in business skills training and business management. We have been able to collect personal data from about 1200 PWDS:



## DEALING WITH DISABILITY INCLUSION AT ADVANCE SMART MICROFINANCE



*An officer from ADVANCE SMART Microfinance meets Mr. Henry Mutebi, a customer with Disability as his home with documents for his signature*

Advance Smart microfinance was started in 2004 as Advance Uganda microfinance Ltd by guarantee, with ADRA Uganda being the sole owners of the company.

By Sept 2019, it was rebranded and changed name to ADVANCE SMART micro finance and limited by shares, with ADRA being the majority shareholders with 51% of the shares.

Advance Smart is a financial institution with the mission of **providing appropriate, efficient, and affordable financial services to the economically active communities for sustainable development and empowerment.**

ADVANCE currently operates in 9 Districts, under a network of 6 branches of Wobulenzi, Nanasana, Kakiri, Abaita, Mityana and Kiboga with one satellite office in Busi islands.

## Partnership with AMFIU in financial inclusion with PWDS

A memorandum of understanding between AMFIU and ASMF was entered into on 20th September 2020 with the aim of serving PWDS better in accessing financial services with ease and to expand on their clientele base amongst the untapped communities in the central region.

It aimed at providing equal opportunities for persons with disability to access sustainable financial services. This partnership has led to.

- Transforming the livelihood of people with disability
- AMFIU has imparted to the ASMF staff a wealth of knowledge on financial inclusion of persons with disability through free trainings and interaction with AMFIU staff.
- ASMF staff have been able to understand the barriers to accessing financial services by PWDS.
- All our buildings have been set up to accommodate persons with Disabilities of all kinds.

To achieve all these, AMFIU has been able to do the following.

- Yearly staff training has been done to ASMF staff to create awareness on persons with disability
- At strategic level, ASMF Board of Directors have been fully trained to appreciate the need of working with PWDS.
- Provision of banners and other materials concerning PWDS to be used by both the staff and PWDS in all the branches.
- Training of focal point persons on Disability issues and in this, Ronald Bbosa was one of the beneficiaries of the training conducted by AMFIU.

## Key Achievements

ASMF has been able to achieve the following after the signing of the MOU with AMFIU

- All branches are now able to report on persons with Disability monthly. By June2020, only two branches of Mityana and Nansana where reporting and by OCT2020, after signing the MOU, two more branches of Wobulenzi and Abaita were able to provide data, bringing the number to four(4) branches.
- Active client numbers have grown from 10 clients in June2020, to the current 28 members in May2022.
- Portfolio disbursement to active members has risen from 8,000,000/= in June 2020 to the current disbursement of 66,000,000/= with an outstanding portfolio of 17,340,702/= to current active 28 members.
- Been able to attract some big customers in the process and these have continued to be royal to us

## 2.2.7 Business skills and entrepreneurship training

Two TOTs in business skills and entrepreneurship were conducted for district union executives, administrative assistants, focal persons and village agents of Buikwe, Jinja, Adjuman and Oyam.



*Calvis simulating on Business forms.*



*Unzima Stephen in a group work on.*



*A session on the principles of adult learning.*



*Amy Betty Syndrella simulating on customer care.*

## 2.2.8 Refresher trainings

Refresher trainings were also conducted for the five TOFI districts and were followed by practical trainings in the field with iSAVE members. The trainers were equipped with easy to use summarized charts with pictorials to facilitate more impactful trainings. As a result, 2,784 were trained in entrepreneurship; 1,531 (55%) female, 696 (25%) youth and 280 (1%) children. In addition, 430 IGAs were started by iSAVE members.



*Trainers going through the training chart and how to use it*



*A trainer facilitating a group training using a summarized chart.*

## **2.2.9 Financial literacy trainings**

In the year 2021, financial literacy continued to be a key activity where by existing trainer teams were taken through refreshers as well as new teams taken through training of trainer's courses. The teams refreshed under iSAVE, TOFI were from Mpigi, Yumbe Luuka, Moyo and Yumbe, while those that received first time TOTs were from Buikwe Jinja, Adjuman and Oyam. As a result, new 35 trainees were enrolled and as a result of these interventions the financial literacy training reached 2,512 members with disabilities. Of these, 1,306 (52%) were female, 608 (24%) were youth and 50 (2%) were children



*Group discussion at financial literacy refresher training for Luuka, Mayuge Teams in Iganga.*



*Group discussions at TOT in Jinja.*



*Participants during a refresher training in Iganga*



*Discussion on budgeting and drawing priorities at oyam training.*



*A ToT in financial Literacy for Buikwe, Jinja Teams at YMCA Jinja*



*A participant explains the concept of budgeting during training in Oyam*

## 2.2.10 Digital Finance Services Training

For Microfinance Institutions (MFIs) to continue playing their role of rural financial inclusion, they need to embrace technology and rethink their business models. During the year, AMFIU built capacity of 10 members in digital financial services from 17th – 21st May 2021.

The overall objective of the training was to enable participants understand the concepts, tools of Digital Finance and its implementation in Microfinance Institutions. The training also addressed the principles of Digital Financial Services, identification and assessment of risks and fraud management, product innovation and design in digital financial services.

The training attracted 20 participants from 10 member institutions. This brings the total of 53 members trained by AMFIU in DFS since 2019.



## VISIONFUND UGANDA'S DIGITAL TRANSFORMATION JOURNEY

VisionFund Uganda Ltd. is a Christian Microfinance Institution, an affiliate of VisionFund International and World Vision Uganda, which started operations in Uganda in 1996. Our focus is to provide relevant financial solutions to rural and vulnerable communities in Uganda with a deliberate focus on women. This is in line with our mission of creating brighter futures for children. Currently, VisionFund Uganda has footprints in Western Region, Eastern Region, Southern Region, Central Region, Northern Region and in the West Nile Region operating in a network of 21 branches across the country serving over 50,000 clients, 95% of whom are in rural areas and 59% women impacting close to 200,000 children.

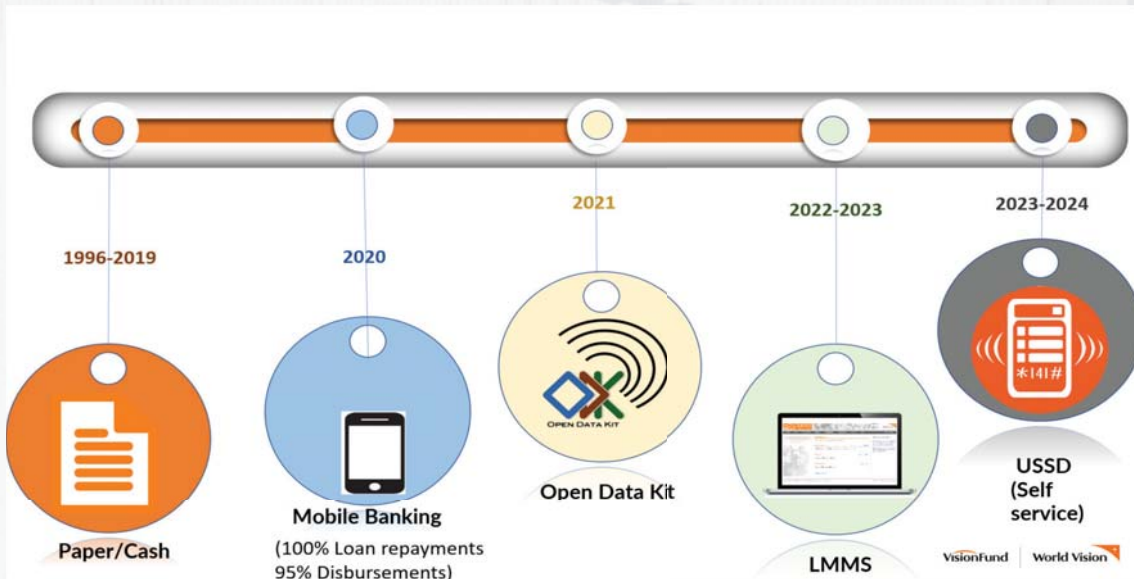
Digitization is one of our key strategic imperatives that is enabling us to realize our 2024 strategic ambition of sustainably impacting 300,000 children in the vulnerable and rural communities while aligning our footprint with World Vision Area Programs. We do believe, leveraging digitization coupled with stronger ecosystems will enable us expand outreach to rural areas while reducing the cost to serve.

We have taken baby steps in the implementation of our digital agenda to serve our clientele better with a gradual shift to 100% cashless and 40% paperless between 1996 and 2019. This was further enabled by the adoption of mobile banking in 2020 as the pandemic raged on where loan repayments and disbursements are now made over the mobile banking platform.



*VisionFund Uganda field officer using the Open Data Kit in Bidibidi Refugee Settlement*

Subsequently, VisionFund Uganda has intentionally invested in digitization to scale up impact and outreach through tools like the Open Data Kit (ODK) in 2021 and rolling out of the Last Mile Mobile Solutions (LMMS) service in 2022 to further enhance our loan process, driving us to greater efficiency and scale.

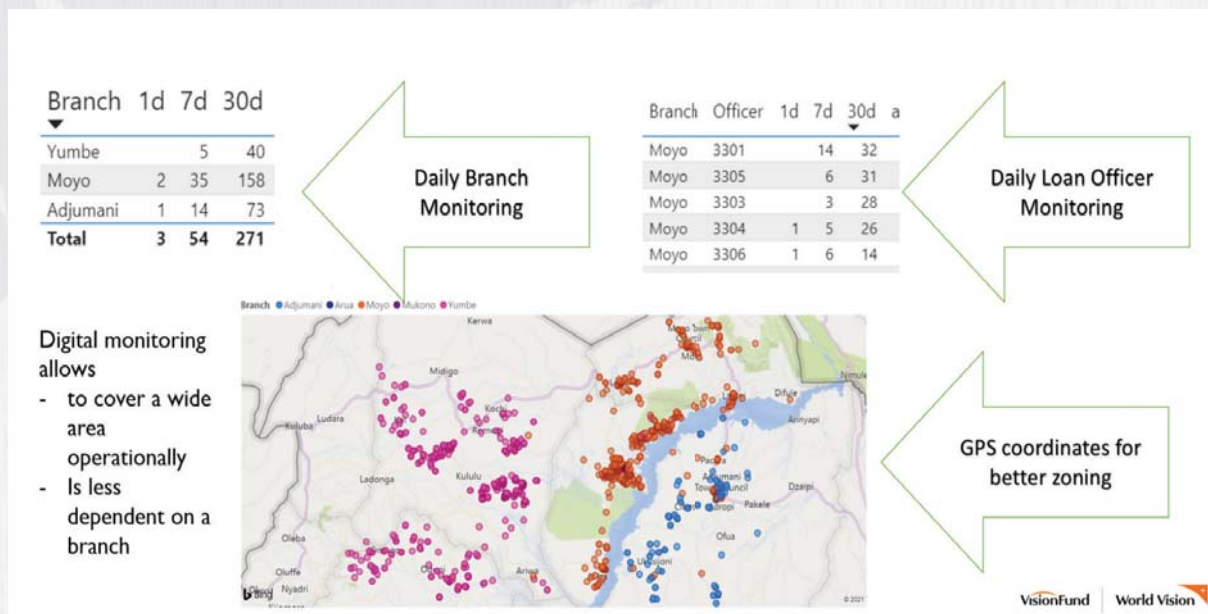


*VisionFund Uganda digital journey*

## Digitization as a key intervention during the COVID-19 pandemic

When the COVID-19 pandemic broke out in Uganda, restrictions on movement, business and other spheres of life almost made it hard for our field operations but equally presented a great learning opportunity. Amongst the many lessons learnt included the need to accelerate digitization by use of mobile money services, building employee capabilities to appreciate the new normal, sensitization of our clients on the COVID-19 SOPs through our social media platforms and the robust Call Centre enabled by our Customer Relationship Management (CRM) System.

Digitization made it possible for us to penetrate the underserved segments like refugees. We adopted a field model approach of field officers being based in communities that they serve. This has seen successful rollout in the West Nile region with operations in Moyo, Yumbe, Arua and Adjumani. With digitization, we have seen an overall 15% reduction in operational costs. Other underlying costs have included better zoning of clusters using GPS coordinates, close monitoring of field officers while being less dependent on physical branches since an Asset-light model is key to our future expansion and outreach.



*Illustration of how digitization has helped field officers to capture data and monitor real time data.*

## Next steps:

- Acquisition of a self-service USSD code that is intended to improve customer experience as we continue to develop innovative digital products.
- Leveraging partnerships to support our expansion and outreach plans while sourcing for more affordable funding to further accelerate our digital agenda as we strive to achieve an Asset light model.
- Continued investment in research and product development.
- Building capabilities with a key focus on cyber risk and controls environment.

This digital journey has been possible with the continued support by our Board of Directors and Staff of VisionFund Uganda, our shareholders VisionFund International and World Vision and other partners like FSDU/FSDA, aBi Finance, Grameen Credit Agricole Foundation, Swedish International Development Cooperation Agency (SIDA), Austria Development Agency (ADA), Association of Microfinance Institutions in Uganda (AMFIU), our regulator Uganda Microfinance Regulatory Authority (UMRA), Insurance Regulatory Authority (IRA) and the Government of Uganda.

### 2.2.11 Digital awareness Trainings

To respond to the challenge of low uptake and use of digital financial services developed by financial institutions, sensitization workshops were held for Field promoters and community-based facilitators as TOTs and end users in the districts of Mpigi, Kamuli, Ajuman, Oyam, Luuka and Mayuge creating teams that will raise awareness on the use of digital financial services in these communities. The Objective is to make the iSAVE members aware of the alternative platforms that can be used to minimize mobility challenges and safety of funds.



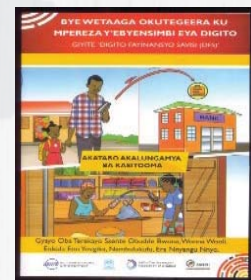
*The team from Moyo pose with their facilitator guides after the training.*



*A digital awareness session for Luuka Mayuge field promoters and CBFs*



*Awareness session on digital finance for iSAVE group leaders in Kamuli.*



*The digital awareness hand book, translated in local languages, finance for iSAVE group leaders in Kamuli.*

As a result of this awareness coupled with the promotion of digital platforms by the partner Financial institutions, the number of iSAVE groups linking with formal financial services increased.

## **Other activities conducted for TOFI and iSAVE;**

- a) Follow-up disability inclusion assessments were conducted for 9 partner institutions and the results indicated progress and total number of customers with disabilities at 945 persons.
- b) Inception meetings were held in Buyende and Arua, the new districts to be added on the iSAVE program 2022. These were followed by induction exercise for the recruited staff in the two districts that was held in Lira

### **2.2.12 Financial education in schools:**

With the continued closure of schools, the financial education in schools' program was so much affected. However, as a program we continued with preparation of teachers through virtual sessions for updates. In the same vain (3) three regional stake holder meeting were held virtually targeting key stake holders that included DCO, DCDO, Inspectors of schools, school directors, to discuss and hoe the necessary buy-in to the program ideas and that support its implementation.

A media engagement was virtually conducted targeting media personalities of radio stations in the targeted regions. The aim was to create awareness of the program and enable them give it mention in their programs. The Media is an effective channel when it comes to informing the masses. In addition, radio spots were developed and translated in local languages of Luganda, Lugbala, Alur, Madi, Lango and Aringa.

Materials for talking compound were also prepared where a number of messages were printed to be strategically displayed on the school compound to remind pupils/ students of the importance of learning to save.



## MT. OTCE METU COOPERATIVE, SAVINGS AND CREDIT SOCIETY LTD

### FINANCIAL EDUCATION IN SCHOOLS: KEY SUCCESSES

Mt. Otce SACCO is one of the leading SACCOs found in West Nile, Moyo district located along Moyo Gulu Road, Metu trading center.

The SACCO was selected by the Association of microfinance institution of Uganda (AMFIU) to promote financial Education program for children in schools. To implement this program better, AMFIU trained selected staff of Mt.Otce Metu SACCO and teachers of selected schools as trainer of trainers (TOT) to facilitate and implement the program in schools. AMFIU also spearheaded the celebration of World Savings Day which took place in Arua in 30th October 2019 where AMFIU facilitated Mt.Otce Metu SACCO to transport children of selected schools to participate in the celebration in which one of the pupil in St.Kizito Primary School (selected school under Mt.Otce Metu SACCO) was rewarded for being the best saver of the year. AMFIU also supported the schools with the savings box, pass books and record books to guide their teachers.

#### Objective of school savings club

- Provide financial literacy in schools.
- To inculcate savings culture in schools.
- To improve savings habit while contributing to financial inclusion and wellbeing in Uganda

#### Status of the Implementation

- The SACCO has enrolled four schools to pioneer the implementation, the selected schools includes Nyojo Primary School, St.Kizito Primary School, Lohwa Senior Secondary School and Aya Primary schools.
- The SACCO formed school savings club in all the selected schools.
- The pupils and the students in those saving club have opened individual savings club with theSACCO.
- TheSACCO has enrolled 64 member, 35 boys and 29 girls as active savers from the clubs in the four schools.
- The members of the savings club in the various schools so far saved 3,128,000 as at 15/6/2022.

## Challenges.

- Covid -19 interrupted the program due to lock downs which also interrupted school programs.
- Some parents still have fear that introducing their children at early stage in money aspect can spoil them.
- Transfer of children from one school to another due to labour mobility of their parents
- Teenage marriage has also claimed some members of the club in some schools especially during covid 19 period.



*Financial Education session at St Kizito Primary School in Moyo District by AMFIU and METUSACCO*



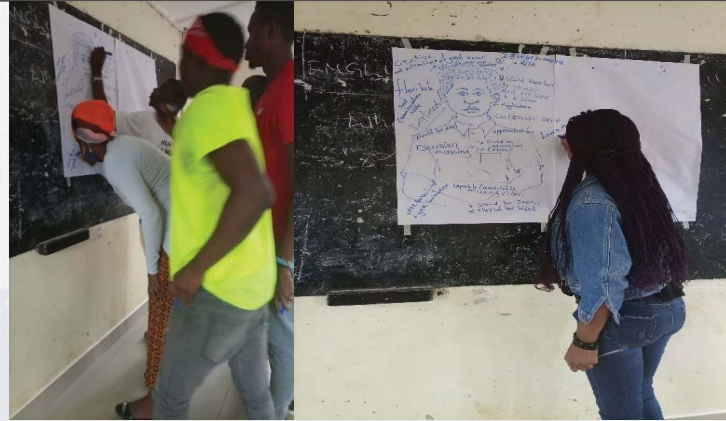
*A section of pupils of St. Kizito Primary school MOYO with the Club Petron (far left) and manager MetuSACCO (far right). The members of the saving club opened saving accounts with MetuSACCO*

### **2.2.13 Business Skills Development and Entrepreneurship for Refugees**

With support from UGAFODE, twenty-nine (29) staff of UGAFODE and community leaders in the Nakivale refugee community were taken through a TOT in business skills development using simulation models and one hundred (100) members from the refugee community trained in entrepreneurship. This was AMFIU's first experience dealing with refugee communities and it has helped to build our experience on how to design capacity building interventions for this target group.



*Skills training at Nakivale refugee camp.*



*A session on personal awareness during skills training at Nakivale refugee camp*



*Personal awareness session*



*Group discussion at Refugee skills training*

## UGAFODE'S FINANCIAL INCLUSION STRATEGY EMPOWERS REFUGEES

By Lillian N. Magezi

Partnering with the United Nations High Commission for Refugees, the Office of the Prime Minister and other regulatory agencies, UGAFODE set out to extend financial services to refugees. Subsequently, the institution became the first financial services provider in Uganda to offer financial services to refugees in a settlement area when they opened up a branch in Nakivale Settlement in Isingiro district in 2019.

Since then a total of 4,322 refugees have benefitted from financial services provided by UGAFODE and they have been able to earn a living and greatly improve their quality of life. One such person is Jean Kambale, a refugee from Goma in the Democratic Republic of Congo. Below he narrates his story. I was working as a district chairperson for drivers in Goma and the former leadership of taxi drivers started plotting to kill me. When I heard that unidentified people were looking for me, I fled to Uganda with my family in 2012.

I was a rich man in Congo, but I left everything there, save for a mini-bus which I sold and that is the money I came with to Uganda. I was settled in Nakivale in 2015 where I opened an electronics shop and a small hardware business which enabled me to look after my family.

Five years later, with the proceeds from my first two businesses, I started a business for my wife of selling bitenge. However, my income was not increasing and I needed capital to grow my businesses and get more sources of income. Being a refugee, it was hard for me to get capital because formal financial institutions did not want to risk and lend me money.



UGAFODE C.E.O Shafi Nambobi conducting a financial literacy training among refugees in Nakivale

However, things changed when I was directed to UGAFODE Microfinance Limited (MDI). I met with the manager of the branch at Nakivale who agreed to give me a loan in addition to encouraging me to save with the institution.

I got my first loan UGX 10m in 2020, which I used to construct housing units for rent in Kampala. I later acquired a top-up which I used to add stock in my hardware business and the electronics shop. As a result, I started getting more income from my businesses and I was able to buy a car, which I use in commercial transportation.

I was able to achieve all this because of the support I got from UGAFODE. In addition to giving us loans, UGAFODE took us through financial literacy training whereby we got empowered with knowledge on how to manage our finances and run our businesses. What makes things better is that by having a branch within the settlement, UGAFODE brought financial services nearer and saved us from travelling long distances.

With the increased income, I diversified and invested in agriculture, and I grow onions. The increased income has enabled me to look after my family and educate my children.

I treasure my relationship with UGAFODE and I aspire to expand my businesses further with their support.

### 2.2.14 Capacity building for Soluti partners in Famers and Business games:

Training was conducted for Ten (10 soluti partners) in running farming as business through the use of farmer game. The overall objective of the Farmers Business Game is to promote financial literacy and raise awareness and the importance of financial planning, applying an experience-based approach. The training was a TOT attended by staff and influential clients of these institutions so that they can pass this same knowledge to others. The game is new interactive form of training that simulates actual activities at a farming enterprise.



Figure 1A group playing the Game



*Group photo of participants after the training.*

In the event, 20 participants from 9 Soluti Finance partner institutions were trained using the micro business game; the simulates running a business enterprise faced with real life situation and making decisions then learning takes place as a result of outcomes that follow.

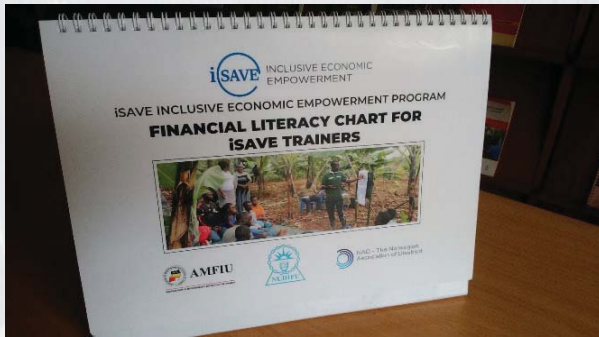
This training took place in Kampala and institutions that participated were; Rushere SACCO, Elegance microfinance, Shuuku SACCO, Buturo SACCO, Hofokam Ltd, Kigarama SACCO, Matete Microfinance and Bunyaruguru SACCO.



*The AMFIU ED Giving opening Remarks at the Training*



*A group photo of participants with their certificates after the training.*



*Financial literacy trainers' chart*



*An interactive session at the refresher in Kamuli*



*Participants discuss at a refresher in Iganga*



*A training session during refresher in Apac*

## 2.5 Research and Information

Research and information is a vital initiative of AMFIU programmes. These continue to help in identifying issues that affect the sector and appropriate interventions are developed.

### 2.5.1 Information Documentation and Dissemination

AMFIU continued to disseminate information that was relevant in the wake of the pandemic. Below are some of the forums and pieces of information that was shared:

- 1 The findings from the study on “the effects of covid-19 on savings groups” were disseminated on 25th November 2021 in partnership with the Financial Sector Deepening Uganda (FSDU) and also at the Annual Banker’s Conference.
- 2 An online dissemination forum for the Tier 4 regulated SACCOs was held on the 13th August 2021. The objective of this forum was to support the SACCOs in the preparation to comply with the regulations and to get an understanding of what is included in the regulations. A representative from Uganda Microfinance Regulatory Authority (UMRA) presented the regulations and opened it up for discussions. This created more insights and better understanding of what is required of the SACCOs. The forum was attended by 80 participants from different members SACCOs and other organizations.

### 2.5.2 Stress Testing for the Microfinance Sector

During the year, a stress testing exercise for the Uganda microfinance industry was conducted with support from IFC to establish stress levels of the sector due to the impact of the covid pandemic.

The major findings were that while Tier 3 could survive about 8 months after the shock, Tier 4 institutions could only survive two months on average and while the sector remained fairly profitable, the liquidity position of Tier 4 had massively deteriorated. This was made worse by the fact that majority of the Tier 4 institutions do not have liquidity reserves. The report recommended an injection of UGX.45B for the Tier 4 institutions in a one-year period to improve their liquidity position. Data for this exercise was obtained from the PMT reports.

### 2.5.3 Financial Performance Monitoring

Performance Monitoring is one of the key services offered by AMFIU to both member and non-member financial institutions. The Performance Monitoring Tool (PMT) is the set of tools that we provide to facilitate the recording and measurement of key financial performance indicators.

#### 2.5.3.1 Institutional and Sector Reports

The financial performance reporting database currently has a total of 120 financial institutions (Both Members and non- members) that regularly use the PMT. However, few financial institutions report consistently to AMFIU on a quarterly basis. All the reporting institutions received feedback on their individual performance. The quarterly reports received from the institutions enable the production of peer group and sector reports.

During the year, data of 35 financial institutions (19SACCOs, 12 MFI, 2 MDIs and 2 Banks) that consistently submitted their reports to AMFIU using the Performance Monitoring Tool (PMT) was analyzed to understand the performance of the sector.

These financial institutions comprise of four (4) major categories that include; Banks, MDIs, MFIs and SACCOs and through the Performance Monitoring Tool (PMT), they are able to share their quarterly financial statements and portfolio reports which do not only help AMFIU to aggregate the performance of the industry but also provide analytical feedback reports to them in order to establish the trend of their performance as well as that of their peers.

**During the year 2021, the four (4) category institutions performed as follows.**

Parameter	Banks	MDIs	MFIs	SACCOs	Total
Total Outstanding Portfolio	783,977,884,870	248,505,597,015	113,078,593,782	181,872,887,213	1,327,434,962,880
Total Voluntary Savings	3,299,299,113,517	78,587,988,519	0	75,148,171,072	3,453,035,273,108
Total number of borrowers	506,181	64,227	142,780	66,713	779,901
Total number of savers	2,641,692	122,406	0	11,682	2,775,780

- As of December 2021, the combined portfolio from the 35 lenders indicates an outstanding credit portfolio of UGX 1,327,434,962,880 with a total of 779,901 borrowers.
- With the representation of only three (3), banks continued to dominate the market in terms of loan portfolio followed by MDIs, then MFIs and lastly SACCOs.
- Banks also had the highest number of borrowers at 42% and also took lead in voluntary savings with 51% of the total voluntary savings.

**Profitability**

Profitability has been explained using three ratios i.e. Operating Self Sufficiency, Portfolio yield and Return on assets as indicated below.

**Operating Self Sufficiency Ratio**

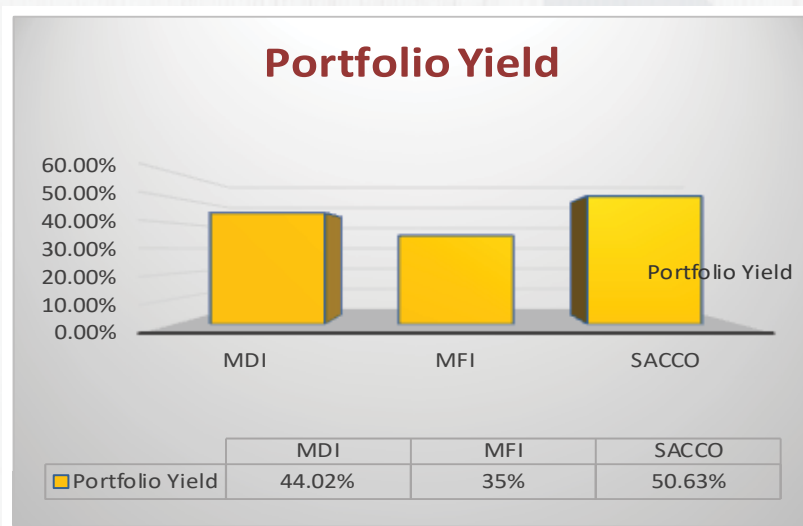
This ratio measures how well a financial institution can cover all its direct costs using internally generated income. If 100% OSS is not attained, this means an institution will need to drain its capital to meet its expenses which is not sustainable.

As shown in the graph below, all financial institutions scored OSS above 100% apart from MFIs that had OSS at 96% which is below the industry benchmark of 100%.



### Portfolio Yield (PY)

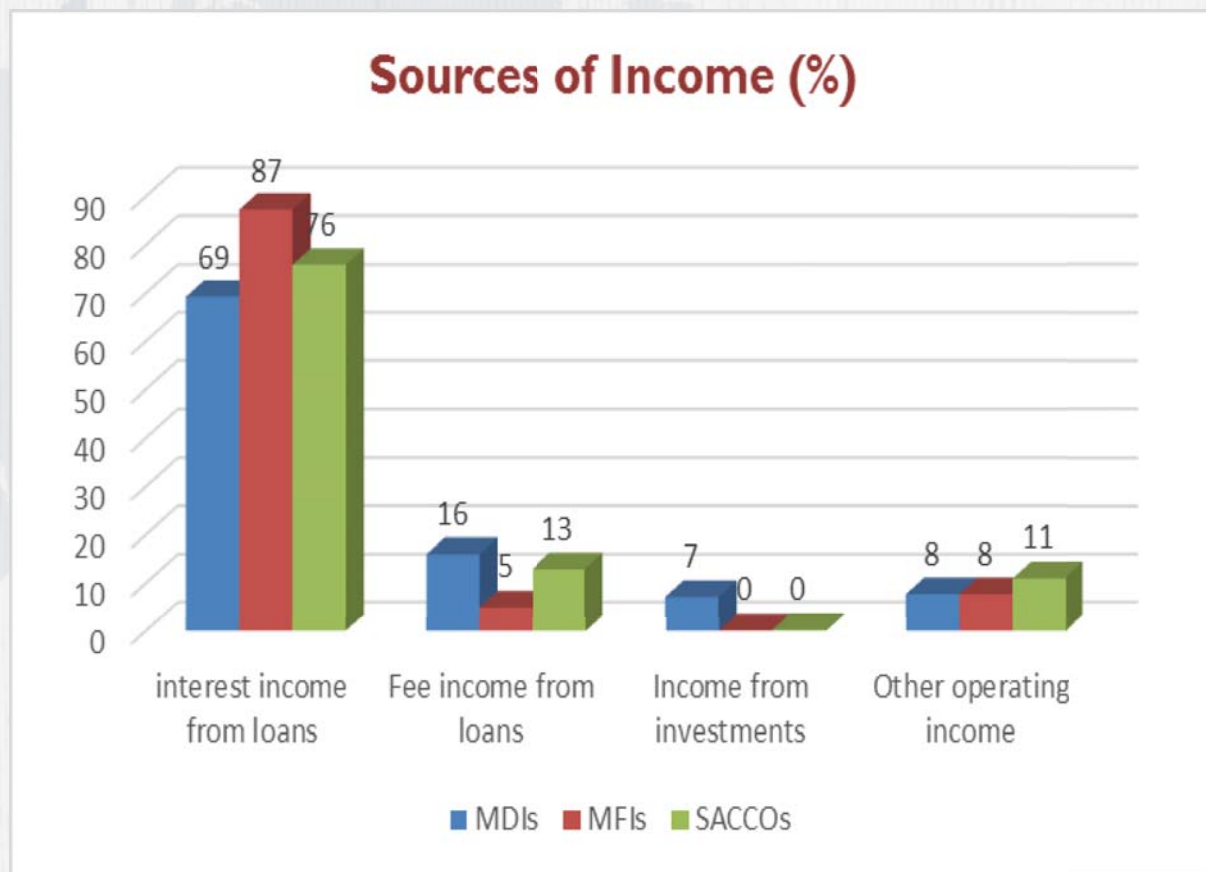
This ratio measures how much interest and fees were generated from the institution's gross loan portfolio and it is a great indicator of the portfolio's ability to generate revenue to cover financial and operational expenses.



Industry Benchmark	MDIs	SACCOs	MFIs
Portfolio Yield	n/a	≥42%	≥42%

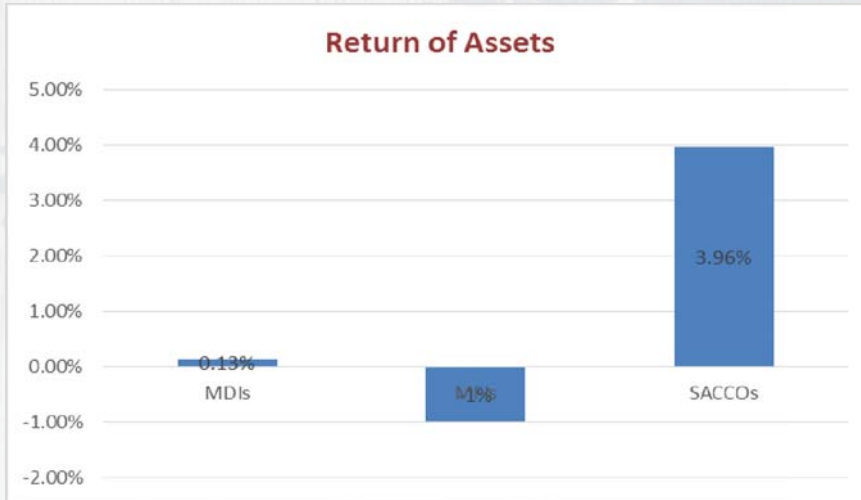
### Sources of Income.

From the graph below, all institutions had interest income from loans as their key source of income with relatively less from investments.



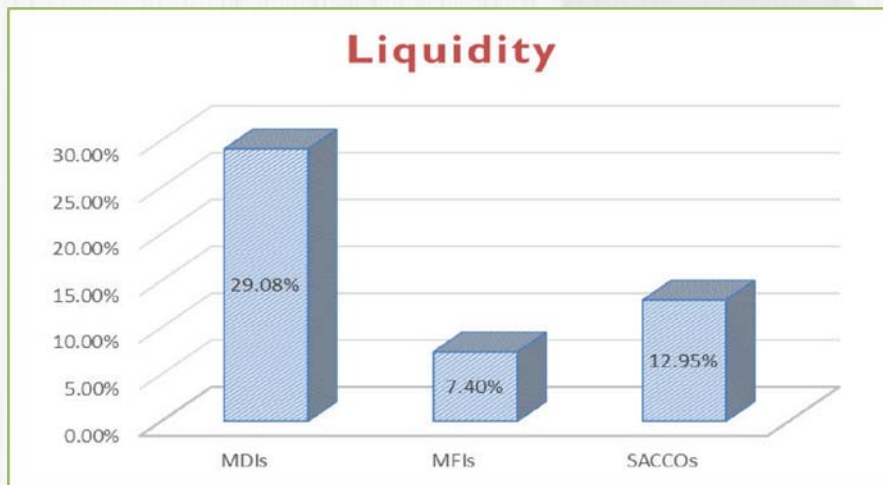
## Return On Assets

The ROA ratio measures the income generated by the assets of an institution and its ability to utilize its assets in a profitable manner. During this period, SACCOs had a Return on assets of 3.96% whereas MDIs had a Return of 0.13% and MFIs with -1%.



## Liquidity Ratio

The institution's ability to meet near term demands for cash is determined by this ratio. MDIs had the highest liquidity with 29.08%, followed by SACCOs with 12.95% and then by MFIs with 7.40% as indicated in the graph below.



## Portfolio Quality.

The portfolio quality has been measured using the portfolio risk (PAR) indicators as shown below.

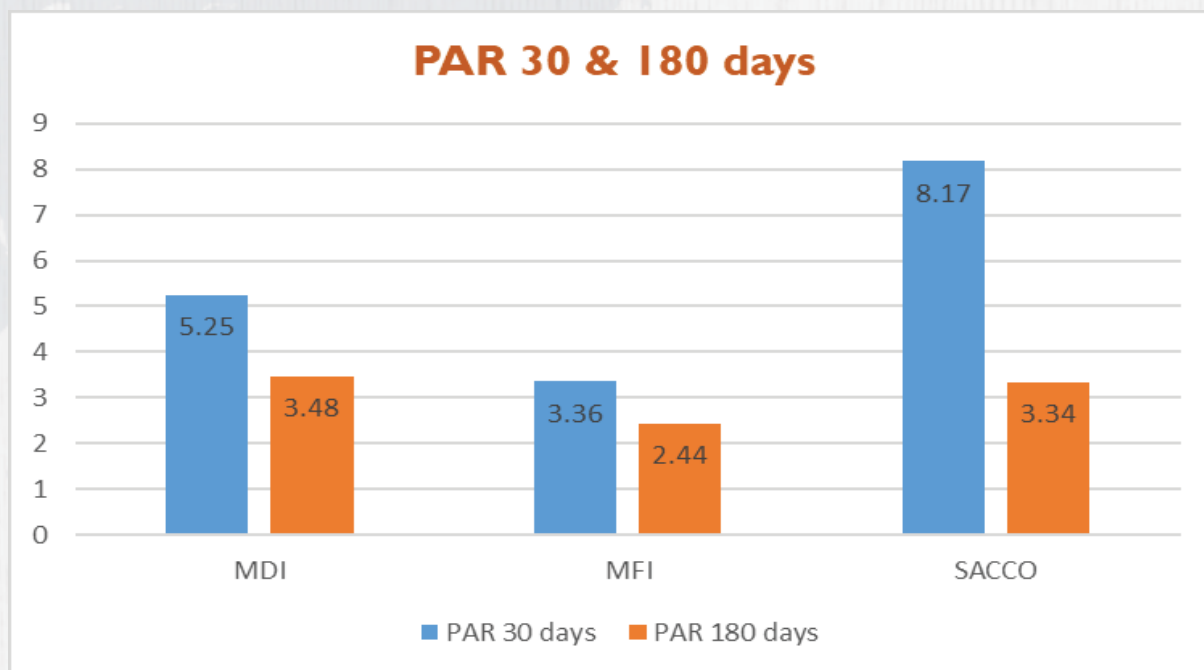
### Portfolio at Risk 30days.

This indicates the balance of loans outstanding that have a payment past due of 30 days as a percentage of Gross Loan Portfolio.

As at end of December 2021 SACCOs had a portfolio at risk 30 days of 8.17% followed by MDIs with 5.25% and MFIs with 3.36%.

### Portfolio at Risk > 180 days.

This indicates a balance of loans outstanding that have a payment past due of 180 days as a percentage of Gross Loan Portfolio. By end of December 2021, MDIs had the highest number of loans in this category with 3.48%, followed by SACCOs with 3.34% and lastly MFIs with 2.44% as indicated in the graph below.



### 2.5.3.2 Training and Technical Assistance

To facilitate usage of the PMT, training and technical assistance was done through the quarters. A total of 46 institutions received technical assistance while 10 institutions received PMT trainings attracting 19 participants.

## VOICES ON THE IMPORTANCE OF USING PERFORMANCE MONITORING TOOL (PMT)

### The Importance of Portfolio Monitoring Tool (PMT) : Nile Microfinance (U) Ltd



*Alex Matua,  
Managing Director,  
Nile Microfinance (U) Ltd*

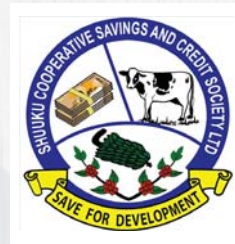
Micro Finance Institutions (MFIs) and SACCOs have a responsibility of providing desirable financial services to economically active low income segment of the population in a very sustainable way. Therefore the success of these institutions should not be measured only by the impressive financial statements but also their social performance over time i.e. a large number of low income people who are able to access financial services in order to improve their living conditions.

In order to achieve these dual social and economic missions, MFIs and SACCOs, need to embrace the PMT. This is an excellent tool that enables management and other stakeholders to have a quick look into the operations and financial health of the institutions. We are in the business of numbers. With PMT one gets a summarized over view of the key financial ratios e.g. Portfolio Indicators, Profitability ratios, Efficiency and Liquidity ratios. This tool has been a great companion of Nile Microfinance (U) Ltd in periodic Management report reviews. It has helped us to improve on our products, processes and delivery channels so that we are efficient and effective in serving our target market, the marginal customer, in a sustainable way.

.....



*Ms. Atwine Phionah,  
Accountant,  
Shuuku SACCO*



## **SHUUKU SACCO**

Performance Monitoring Tool (PMT) is a tool designed and programmed with collaboration of Association of Microfinance Institutions of Uganda (AMFIU) to obtain accounting and portfolio data from institution to create financial reports that stipulate value for a financial institution.

PMT has enabled us as ShuukuSACCO to self monitor reports like Statement of Financial Position, Statement of Comprehensive Income, Cash Flow, Portfolio/Outreach and Key Performance Indicators (KPI) and receive feedback on our progress as an institution against relevant performance standards with coherency and transparency. This has lead to improved Decision Making, and Risk Management and promoted good practices in theSACCO thus improving financial services to existing and prospective Members.

PMT has helped us in easily measuring the Key Performance Indicators that are Savings, Share Capital, Total Loans Outstanding and Total Membership by giving us quick comparison on the performance of different months and quarters of the year. Also it helps theSACCO in knowing the ratios like OSS, Yield on Portfolio, Operating Expense Ratio, and others which help the Board and Management to make informed decisions.

.....



*Nankabirwa Esther, Accountant  
Destiny Microfinance Limited*

## **BENEFITS OF PMT TO OUR INSTITUTION: DESTINY MICROFINANCE LIMITED**

We thank the almighty God that AMFIU was able to initiate the use of PMT because it gives us a true picture of what transpired within the quarter in the shortest means possible, PMT is also used as a reference in Destiny Microfinance Limited in comparison of our reports within different years and quarters hence we can be able to see whether we are improving or declining in performance.

PMT Creates financial reports and ratios that can be used by the institution's management as well as collecting, storing and computing key financial data in a systematic way, thereby providing value for Destiny Microfinance Limited. Through the use of Pmt, the company is able to know its portfolio, disbursements, Portfolio at risk, number of clients, income and expenses and many others within a given year or quarter. In conclusion that is how PMT has benefited us as destiny microfinance limited. We also thank AMFIU for the ratings and feedback given to us, which in turn encourages us to put in more effort.

.....

## 2.6 Key initiatives

### 2.6.1 Development of a Tier IV Credit Information Sharing Platform

During the year, AMFIU continued the partnership with Riskpile Limited, a consortium of Software Development Companies and Consultants proficient in Credit Bureaus, Banking and MFI/SACCO operations, to refine the credit information sharing platform based on the findings from the pilot conducted in 2020.

Monthly meetings with the 15 pilot institutions continued throughout the year with updates regarding system development and integration are shared. Software vendors' online workshop was held to understand challenges of system integration and the revenue share model was presented to the vendors. Riskpile embarked on developing a new application form that can be used in the meantime to counter the challenge of interfacing with all the existing core banking systems.

Riskpile presentation was made to UMRA for system buy-in and support and to up-date the regulator on the progress.

## 2.7 AMFIU Business Consult (ABC)

ABC was established to provide quality services at affordable prices, with the ultimate goal of enhancing the provision of responsible financial services by microfinance institutions (MFIs)/SACCOs to their customers and deepen financial inclusion.

During the year, several activities were undertaken by the business wing as highlighted.

### 2.7.1 Contractual Assignments executed.

ABC was contracted by different members financial institutions and other stakeholders in the microfinance sector. Below are the assignments accomplished.

- i. ABC submitted a bid to Bagezza SACCO to provide a training on Basic Governance Good Practices and Supervisory and Monitoring for Bagezza SACCO new Board of Directors and SPUCO members. The training was successfully conducted from 21st - 25th May 2021 for 13 members of SACCO Board. According to the feedback from the Bagezza SACCO, the trainees appreciated the training.
- ii. Training Workshop in strategic planning for Micro credit for Development and transformation SACCO (MCDT)

In the year 2021, ABC conducted a strategic training workshop for A strategic planning was done for Micro credit for Development and transformation SACCO (MCDT) on 15th -17th September 2021 under ABC consultancy.

The strategic planning workshop was meant to prepare and facilitate experience sharing session(s) covering carefully selected practical topics in Strategic leadership and strategic planning to build the skill of Board and Management in strategic planning, highlight best practices for strategic planning formulation, implementation, monitoring and evaluation, develop a five year strategic plan for the SACCO and raise the importance of Strategic leadership as a key ingredient to the success and sustainability of the SACCO. The workshop was attended by mainly the Board and management.



*Board members in a group discussion on the various objectives they need to be part of their strategy.*



*Group discussions on going under the supervision of a facilitator*

### **2.7.2 Mystery shopping.**

Mystery shopping is a worldwide proven method used by organisations to assess among others customer service quality, processes and procedures, client protection among others. During the period, a mystery shopping exercise was conducted for UGAFODE Microfinance (MDI) branches of Jinja, Bombo road, Rubaga and Kyotera and for Vision Fund Uganda branches of Mukono, Wakiso, Masaka, and Bwaise branches.

### 3. KEY EVENTS

#### Citi Microentrepreneurship Awards

AMFIU in partnership with Citibank annually organizes the Citi Microentrepreneurship awards to raise awareness about the importance and contribution of microfinance in promoting financial inclusion and demonstrate its role in improving the lives of low income individuals. It is also provides an opportunity for members to get to see how their peers are supporting their customers and for the customers to learn sound business principles and financial management practices from their peers. The awards ceremony that recognizes exceling micro-entrepreneurs was held on 15<sup>th</sup> December 2021 at Kampala Serena Hotel. A total of 34 microentrepreneurs nominated by 27 institutions were awarded certificates, bronze, silver, gold and platinum medals that were accompanied with cash prizes.

The Function was presided over by the deputy Governor Bank of Uganda, Dr. The function was attended by over 180 people from across the country.





The platinum winner being awarded by the Deputy Governor Bank of Uganda received a cash prize of Fifteen Million shillings.



Platinum Winner of the 2020/2021 Citi Microentrepreneurs Awards  
Mr. Edson Nuwamanya of MushangaSACCO

## Appendix 1 : Member Capacity Building<sup>1</sup>

SN	Member	PMT Training	PMT Technical Assistance	Training in Water	Technical Assistance in Water	Governance Training	Financial Literacy	Client Protection	Disability Inclusion	Business skills development	Farmer Games	Business games	Financial Education in schools
	Adjumani Town Council												
	Advance Smart Microfinance												
	Alut Kot SACCO												
	ASA Microfinance												
	Bageza SACCO												
	Bondford Microfinance Ltd												
	Brac Uganda Bank												
	Bugadde SACCO												
	Buikwe Twezimb SACCO												
	Bunyaruguru SACCO												
	Butuuro Peoples SACCO												
	Buyanja SACCO												
	Destiny Microfinance												
	Development Microfinance												
	EBO Financial Services												
	ENCOT Microfinance												
	Finance Trust Bank												
	Hofokam Ltd												
	Ikwera SACCO												
	Jennis Finance Company												

<sup>1</sup> These are the member institutions that applied and received training.





## Appendix 2 : AMFIU Membership

### ORDINARY MEMBERS

ORDINARY MEMBER
Across International Microfinance
Adjumani Town Council
Advance Smart Microfinance
Alut Kot SACCO
ASA Microfinance
Bagezza SACCO
Bondford Microfinance Ltd
Brac Bank Uganda
BUDDU CBS- Pewosa SACCO
Bugadde SACCO
Buikwe Twezimbe SACCO
Bunyaruguru SACCO
Busiu SACCO
Butuuro Peoples SACCO
Buyanja SACCO
CBS Pewosa SACCO
Centenary Bank
Community Development Micro Credit Finance
Community Fund
Destiny Microfinance
Development Microfinance
Divine Microfinance Ltd
East Africa Premier Investments (EAPIL)
EBO Financial Services

ECLOF
EFC Limited
Eleglance Microfinance
ENCOT Microfinance
Express SACCO
Finance Trust Bank
Finca Uganda Ltd
Five Talents Uganda
Franciscan Investment SACCO
Glory Cooperative Savings and Credit
Goldmine Finance Ltd
Hakashenyi SACCO
Hofokam Ltd
Igara Buhweju Tea Farmers SACCO
Ikwera SACCO
Investors Financial Services Ltd (IFSL)
Iryaruvumba SACCO
ISSIASACCO
Jennis Finance Company
Kagadi Women FinanceTrust
kahunge Rural SACCO
Kashongi Farmers SACCO
Kati Youth Venture
Kebisoni SACCO
Kiboga Food Farmers Initiative -SACCO
Kigarama farmers SACCO
Kigarama Peoples SACCO

Kihanga Mparo SACCO
Kijomoro Farmers SACCO
Kijura SACCO
Kitgum SACCO
Koboko United SACCO
Kolping Microfinance
Kyamuhunga Peoples SACCO
Letshego
Liberation Community Finance
Loro OyamSACCO
Luzira Alliance SACCO
Lwengo Microfinance
Lyamujungu SACCO
MADFA SACCO
MAMIDICOT
Mateete Microfinance
MCDT SACCO
Moyo SACCO
Mt. Otce Metu SACCO
MubugaSACCO
Muhame Financial Services
Mushanga SACCO
Mwizi SACCO
Nazingo SACCO
Nile Microfinance Ltd
Nyakayojo Peoples SACCO
Nyaravur Farmers SACCO

Nzuri Trust Microfinance
Offaka SACCO
Oleba SACCO
Omipa SACCO
Opportunity Bank
OYA Micro Credit
Palma Microfinance
Platinum Credit
Post Bank
Premier Credit
Pride Microfinance (MDI) Ltd
Pro Business Africa (PBA)
Radicos Finance Ltd
Real People Financial Services
Rolem Microfinance
Rubabo Peoples SACCO
RUFU Microfinance
Ruhiira Millennium SACCO
Rukiga SACCO
RUSCA
Rushere SACCO
Rwanyamahembe SACCO
S&C Fintech Microfinance Ltd
Share An Opportunity Ziobwe
Shuuku SACCO
Talanta Microfinance
Tujijenge Financial Services Uganda

UGAFODE Microfinance Ltd (MDI)
Uganda MicroCredit Foundation
Ultra Microfinance Ltd
Umoja Microfinance
Usalam SACCO
Vision Fund
Wazalendo SACCO
Y-Save SACCO

## ASSOCIATE MEMBERS

Associate Member
Absa Bank Uganda Limited
Adops Limited Kenya
Demis Consult Ltd
Department of Microfinance Nkozi University
Fin Tech Uganda Ltd
Financial Sector Deepening Uganda (FSDU)
Fintech Uganda Ltd
Future Link Technologies
Habitat For Humanity Uganda
Hiinga Uganda
Metropol Credit Reference Bureau
Microfinance Support Centre Ltd
Neptune Software Group
Soluti Finance East Africa
The Hunger Project Uganda
Transpay Service Ltd
Trias Uganda
Uganda Cooperative Savings and Credit Union (UCSCU)



# AMFIU

ASSOCIATION OF MICROFINANCE INSTITUTION OF UGANDA

## Association of Microfinance Institutions of Uganda

**“Company Limited by Guarantee”**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST  
DECEMBER 2021**

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA  
(AMFIU) DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**TABLE OF CONTENTS**

Table of Contents	64
Company Information	65
Director's Report	66
Statement of Directors' Responsibilities	67
Independent Auditors Report	68
Report on other legal and regulatory requirements	71
Statement of Financial Position	72
Statement of Comprehensive Income	73
Statement of Changes in Accumulated Funds	74
Statement of Cash Flow	75
Notes to the Financial Statements	76

# ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

The board members who held office during the year were;

Mr. Nkangi Edward	National President
Mr. Dimba David Kenyi	Member
Mr. Katende Paul	National Treasurer
Mr. Nurul Islam Chowdhury Mafique	Member
Ms. Kyosimba Immaculate Christine	Member
Mr. Moris Ngabitho	Member
Mr. Shafi Nambobi	Member

### REGISTERED OFFICE

Plot 679, Wamala Road,  
P.O Box 26056 Kampala, Uganda

### BANKERS

Centenary Bank  
P.O Box 1892, Kampala, Uganda

### AUDITORS

Kakande and Company Certified Public Accountants  
Plot 2D, Nakasero Hill Road  
Box 25406, Kampala - Uganda  
Tele + 256- 312-289941 / 0772-508199  
Fax: + 256-414-258802

## **ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU) DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors submit their report together with the audited financial statements for the year 31 December 2021.

### **PRINCIPLES ACTIVITIES**

The Association engages in activities that enhance the sustainable delivery of financial services delivered by all institutions in Uganda. AMFIU is an umbrella organisation of microfinance institutions (MFIs) in Uganda. It was founded in 1996 and registered in 1999 under the Non-Governmental Organisation Act as a company limited by guarantee.

### **Results**

The results of the year ended 31st December 2021 are shown on page 73.

### **Directors**

The Directors who held office during the year and to the date of this report are shown on page ii of this report

### **Auditors**

The Company's Auditors KAKANDE AND COMPANY - CERTIFIED PUBLIC ACCOUNTANTS have expressed their willingness to continue in office in accordance with Section 159(2) of the Companies Act.

### **By order of the Board,**



.....  
Secretary

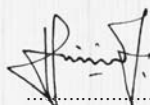
# ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Uganda Companies' Act 2012 requires directors to prepare accounts that give a true and fair view of the state of affairs of the Company and of its operating results for each year. It also requires directors to keep proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible to safeguarding the assets of the Company.

The directors accept responsibility of the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting practice and in the manner required by the Uganda Companies' Act, 2012. The Directors are of the opinion that the accounts give a true and fair view of the state of financial affairs of the company and of its operating results and cash flow for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Association will not remain a going concern for at least the next twelve months from the date of this statement.

  
23/06/2022  
.....  
**National President**

  
.....  
**National Treasurer**

# INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Association of Microfinance Institutions of Uganda (AMFIU), which comprise the statement of financial position as at 31st December 2021, the Statement of Comprehensive Income, statement of changes in accumulated funds and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AMFIU as at 31st December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Companies Act, 2012.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

There were no key audit matters to report.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2012, we report to you based on our audit, that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account have been kept by the company so far as appears from our examination of those books; and
3. The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Adam Kakande - **P0144**.




**KAKANDE AND COMPANY**  
Chartered Public Accountants  
P. O. box 25604,  
Kampala, Uganda


**KAKANDE AND COMPANY**  
Certified Public Accountants  
Kampala, Uganda Date

## ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

<b>ASSETS:</b>	<b>NOTES</b>	2021 Ug. Shs	2020 Ug. Shs
Non Current Assets			
Tangible fixed assets	5	700,234,595	758,906,875
Investments	6	2,000,000	2,000,000
		702,234,595	760,906,875
<b>Current Assets</b>			
Receivables	7	248,708,468	133,894,963
<b>Cash and bank</b>	8	155,286,848	366,925,507
		403,995,316	500,820,470
<b>Total Assets</b>		<b>1,106,229,911</b>	<b>1,261,727,345</b>
<b>EQUITY AND LIABILITIES:</b>			
Equity			
Capital Fund		104,511,091	104,511,091
Revaluation Reserves		18,127,213	18,127,213
Accumulated Funds		839,085,135	772,739,818
		961,723,439	895,378,122
Current Liabilities			
Accounts payable	9	115,835,364	177,985,103
Deffered revenue grant	10	28,671,107	188,364,117
		144,506,471	366,349,220
<b>Total Equity and Liabilities</b>		<b>1,106,229,910</b>	<b>1,261,727,342</b>

These financial statements were approved by the Board of Directors on..... 27/5/22  
and were signed on its behalf by:

  
.....  
National President

  
.....  
National Treasurer

The notes on pages 5 to 10 form part of these accounts.

## ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	2021 Ug Shs	2020 Ug Shs
<b>Income</b>	2	2,132,686,852	2,104,338,317
<b>Total Income</b>		<b><u>2,132,686,852</u></b>	<b><u>2,104,338,317</u></b>
<b>Expenditures</b>			
Overhead costs	3	253,956,556	361,817,592
Activity costs	4	1,812,384,979	1,660,291,466
<b>Total Resources Expended</b>		<b><u>2,066,341,535</u></b>	<b><u>2,022,109,058</u></b>
<b>Surplus for the year</b>		<b><u>66,345,317</u></b>	<b><u>82,229,259</u></b>

The notes on pages 76 to 81 form part of these accounts.

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)**  
**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>2021</b>	<b>Capital Fund</b>	<b>Revaluation Reserves</b>	<b>Accumulated Fund</b>	<b>Total</b>
	(Ug. Shs)	(Ug. Shs)	(Ug. Shs)	(Ug. Shs)
As at 1 Jan 2021	104,511,091	18,127,213	772,739,818	895,378,122
Surplus / (Deficit) for the year			66,345,317	66,345,317
<b>As at 31 Dec 2021</b>	<b>104,511,091</b>	<b>18,127,213</b>	<b>839,085,135</b>	<b>961,723,439</b>

<b>2020</b>	<b>Capital Fund</b>	<b>Revaluation Reserves</b>	<b>Accumulated Fund</b>	<b>Total</b>
	(Ug. Shs)	(Ug. Shs)	(Ug. Shs)	(Ug. Shs)
At start of year	104,511,091	18,127,213	814,625,303	937,263,607
Transfer to AMFIU Business Consult			(124,114,744)	(124,114,744)
Surplus / (Deficit) for the year	-	-	82,229,259	82,229,259
<b>As at 31 Dec 2020</b>	<b>104,511,091</b>	<b>18,127,213</b>	<b>772,739,818</b>	<b>895,378,122</b>

The notes on pages 76 to 81 form part of these accounts.

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>NOTE</u>	<b>2021</b>	<b>2020</b>
		<b>Ug. Shs</b>	<b>Ug. Shs</b>
<b>Surplus/(Deficit) for the Period</b>		66,345,317	82,229,259
<b>Adjustments for Non-Cash Transactions:</b>			
Depreciation		108,960,659	100,469,048
Other Adjustments			(23,477,650)
<b>Working Capital Changes:</b>			
(Increase)/Decrease in Accounts Receivables		(114,813,505)	7,016,550
Increase/(Decrease) in Accounts Payables		(62,149,739)	(3,504,883)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>(1,657,268)</b>	<b>123,177,630</b>
<b>Cash flows from investment activities</b>			
Purchase of fixed assets		(50,288,379)	(15,950,000)
<b>Net cash from investment activities</b>		<b>(50,288,379)</b>	<b>(15,950,000)</b>
<b>Cash flows from financing activities</b>			
Deferred Grant		(159,693,010)	60,920,175
<b>Net cash from financing activities</b>		<b>(159,693,010)</b>	<b>60,920,175</b>
<b>Increase/Decrease in cash &amp; cash equivalents</b>		<b>(211,638,657)</b>	<b>168,147,805</b>
<b>Movement in cash &amp; cash equivalents</b>			
As at 1 Jan		366,925,507	198,777,702
<b>Increase/(Decrease)</b>		(211,638,657)	168,147,805
As at 31 DEC		<b>155,286,850</b>	<b>366,925,507</b>

The notes on pages 76 to 81 form part of these accounts.

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)  
ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below

**a Accounting Entity**

The legal and registered owner of Association of Microfinance Institutions of Uganda (AMFIU) is a non governmental Organization located in Kampala, Uganda

**b Reporting Currency**

The reporting currency is the Uganda Shilling.

**c Basis of Preparation**

The financial statements are prepared under the Historical Cost Convention and are in accordance and comply with International Financial Reporting Standards

**d Cash and Cash Equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at banks, net of bank overdrafts.

**e Depreciation**

Depreciation has been charged using the Straight Line method to write off the cost of each asset over their estimated useful life at the following rates:

Land	0%
Buildings	4%
Computer & Accessories	33.3%
Furniture and Equipment	20%
Motor Vehicle	25%

**f Revenue Recognition**

The company recognizes grant revenue in the period when it is utilized and any excess on unutilized grant as at the end of the year is recognized deferred grant in the balance sheet.

Grants for capital expenditure are recognized as income by recognizing the depreciation charge for the year of operation and the excess recognized as deferred capital grant and is written down over the useful life of the asset.

Consultancy fees and other incomes are recognised on accrual basis

## g Foreign Currency Translation

Foreign currency transactions occurring during the year are translated into Uganda Shillings at the rates ruling on the dates of the transactions; while balances of foreign currency at the Statement of Financial Position date are translated into Uganda Shillings at the rate ruling on that day.

## h Trade Receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less impairment.

## i Trade Payables

Trade Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

## j Pension Obligations

The employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme.

The Organization's contributions to the defined contributions scheme are charged to the Statement of Comprehensive Income in the year in which they relate.

## k Comparatives

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year

## 2 Revenue

	<b>2021</b>	<b>2020</b>
	<b>Ug. Shs</b>	<b>Ug. Shs</b>
Citi Foundation	140,114,750	55,424,860
Leave no One Behind: Equal Rights for Persons With Disabilities	354,046,794	346,721,855
Water.ORG	320,320,401	281,589,069
Agricultural Business Initiative	-	68,459,150
Sparkassen Foundation for International Cooperation	74,088,159	343,444,650
Together For Inclusion	555,303,797	405,561,800
	<b>1,443,873,901</b>	<b>1,501,201,384</b>
<b>Subscriptions</b>		
Membership fees	46,730,000	49,030,000
<b>Other Income</b>		
Advertisements in directory	20,850,000	12,933,103
Consultancy fees	577,502,951	497,738,277
Miscellaneous Income	500,000	1,435,553
Renting office space	42,000,000	42,000,000
Other Income	1,230,000	
	<b>642,082,951</b>	<b>554,106,933</b>
<b>Total Revenue</b>	<b>2,132,686,852</b>	<b>2,104,338,317</b>

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)**  
**NOTES TO ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	<u>Ug. Shs</u>	<u>Ug. Shs</u>
<b>3 Overhead Costs</b>		
<b>a) Fixed Overhead Costs</b>		
Staff salaries & Benefits	30,327,096	126,633,110
National Social Security Fund 10%	3,032,709	12,663,311
Medical cover fees	11,871,643	19,706,653
Staff welfare	15,628,400	25,009,000
	<b>60,859,848</b>	<b>184,012,074</b>
<b>b) Flexile Overhead Costs</b>		
Bank charges	1,807,000	3,031,350
Depreciation	108,960,659	100,469,048
Email & Intenet connection	424,600	484,474
Equipment repairs (Photocopier, Computer)	5,497,259	1,678,595
Governance facilitation	24,339,158	11,180,000
Office repairs	1,053,500	1,042,000
Motor vehicle fuel & Transport	5,582,000	7,673,000
Newspapers and periodicals	12,440	295,000
Office cleaning	1,765,850	4,040,000
Office Utilities (Electricity)	2,509,135	4,621,927
Security	10,586,843	11,663,200
Staff meetings & Office requirements	7,863,000	8,008,000
Stationery	6,207,525	10,292,700
Legal fees	1,750,000	400,000
Telephone	375,789	804,400
Vehicle Maintenance	9,224,000	2,316,600
Miscellaneous expenses	747,000	1,340,000
Postage	333,150	864,224
Generator fuel	972,800	1,164,000
Marketing & Publicity	2,000,000	1,302,000
Insurance	1,085,000	-
Contribution to events	-	1,800,000
Gas	-	405,000
Licences	-	2,930,000
	<b>193,096,708</b>	<b>177,805,518</b>
<b>Total overheads</b>	<b>253,956,556</b>	<b>361,817,592</b>
<b>4 Activity costs</b>		
Lira Expenses	9,038,000	8,862,000
Leave No One Behind: Equal Rights For Persons With Disabilities	354,046,795	346,721,830
Research and Information	-	1,349,000
Membership visits	799,000	11,197,657
Sparkassen Foundation for International Cooperation	74,088,159	156,078,000
Watercredit tool kits	320,320,402	281,589,069
Citi Foundation	140,114,750	55,424,860
PROFIRA (Needs assessment & Trainings)	357,554,519	325,048,100
Agricultural Business Initiative	1,119,557	68,459,150
Together For Inclusion	555,303,797	405,561,800
	<b>1,812,384,979</b>	<b>1,660,291,466</b>

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)**  
**NOTES TO ACCOUNTS**  
**MOVEMENT IN FIXED ASSETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**


5	2021	Land	Buildings	Computer & Accessories	Furniture & Equipment	Motor Vehicle	Total
		(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)
	<b>Cost (Valuation):</b>						
	As at 1 January 2021	204,400,000	653,829,938	286,670,061	56,994,657	218,650,000	1,420,544,656
	Disposals	-	-	50,288,379	-	-	50,288,379
	As at 31 DECEMBER 2021	<b>204,400,000</b>	<b>653,829,938</b>	<b>336,958,440</b>	<b>56,994,657</b>	<b>218,650,000</b>	<b>1,470,833,035</b>
	<b>Depreciation:</b>						
	Rates	0%	4%	33.3%	20% #	25%	
	As at 1 January 2021	-	189,132,730	286,670,061	43,772,490	142,062,500	661,637,781
	Charge for the year	-	26,153,198	16,746,030	11,398,931	54,662,500	108,960,659
	As at 31 DECEMBER 2021	-	<b>215,285,928</b>	<b>303,416,091</b>	<b>55,171,421</b>	<b>196,725,000</b>	<b>770,598,440</b>
	<b>Net book value:</b>						
	As at 31 DECEMBER 2021	<b>204,400,000</b>	<b>438,544,010</b>	<b>33,542,349</b>	<b>1,823,236</b>	<b>21,925,000</b>	<b>700,234,595</b>
	2020	Land	Buildings	Computer & Accessories	Furniture & Equipment	Motor Vehicle	Total
		(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)	(Ug.Shs.)
	<b>Cost (Valuation):</b>						
	As at 1 January 2020	204,400,000	653,829,938	300,420,061	51,094,657	278,650,000	1,488,394,656
	Disposals	-	-	(13,750,000)	(10,050,000)	(60,000,000)	(83,800,000)
	Additions	-	-	-	15,950,000	-	15,950,000
	As at 31 DECEMBER 2020	<b>204,400,000</b>	<b>653,829,938</b>	<b>286,670,061</b>	<b>56,994,657</b>	<b>218,650,000</b>	<b>1,420,544,656</b>
	<b>Depreciation:</b>						
	Rates	0%	4%	33.3%	20%	25%	
	As at 1 January 2020	-	162,979,533	288,914,311	42,592,490	87,400,000.00	581,886,334
	Disposal (accumulated)	-	-	(3,707,600)	(2,010,000)	(15,000,000.00)	(20,717,600)
	Charge for the year	-	26,153,198	1,463,350	3,190,000	69,662,500	100,469,048
	As at 31 DECEMBER 2020	-	<b>189,132,730</b>	<b>286,670,061</b>	<b>43,772,490</b>	<b>142,062,500</b>	<b>661,637,781</b>
	<b>Net book value:</b>						
	As at 31 DECEMBER 2020	<b>204,400,000</b>	<b>464,697,208</b>	-	<b>13,222,167</b>	<b>76,587,500</b>	<b>758,906,875</b>

**ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)**  
**NOTES TO ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**


	2021 Ug. Shs	2020 Ug. Shs
<b>6 Investments</b>		
Investment in AMFIU Business Consult	2,000,000	2,000,000
	<b>2,000,000</b>	<b>2,000,000</b>
<b>7 Receivables</b>		
<b>a) Member's Subscription</b>	18,545,420	43,226,965
Other Receivables	-	494,436
	<b>18,545,420</b>	<b>43,721,401</b>
<b>b) Other Accounts Receivables</b>		
Prepaid Medical Insurance	-	13,352,697
Uganda Revenue Authority- Whitholding Tax	83,548,305	70,497,201
Staff salary advances	-	5,723,664
Prepaid Lira office rent	-	600,000
Inter company transaction(AMFIU)	146,614,743	-
	<b>230,163,048</b>	<b>90,173,562</b>
	<b>248,708,468</b>	<b>133,894,963</b>
<b>8 Cash and Cash Equivalents</b>		
Centenary Bank A/C 001	130,043,196	293,752,278
Centenary Bank A/C 002	264,311	10,048,237
Centenary Bank A/C 003	6,706,602	-
Centenary Bank A/C 004	143,809	59,931,947
Centenary Bank A/C 005	10,882	67,945
Centenary Bank A/C 006	18,117,548	3,125,100
Cash at Hand	500	-
<b>Total Cash</b>	<b>155,286,848</b>	<b>366,925,507</b>
<b>9 Accounts Payables</b>		
Sundry payables	772,674	3,346,900
Withholding Tax	-	6,005,283
National Social Security Fund payable	5,560,000	81,027,125
staff savings	-	15,500,000
security payable	-	6,487,000
Pay As You Earn	9,856,000	19,704,302
Audit fees payable	-	3,000,000
Enterpreneurship Award Project	-	1,359,800
Funds payable to AMFIU Business Consult	97,846,690	39,554,693
AMFIU Business Consult Share capital	-	2,000,000
Lira Rent payable	1,800,000	-
	<b>115,835,364</b>	<b>177,985,103</b>


ASSOCIATION OF MICROFINANCE INSTITUTIONS OF UGANDA (AMFIU)  
NOTES TO ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2021


	2021 Ug. Shs	2020 Ug. Shs
<b>10 Deferred Grant</b>		
At 1st January 2021	188,364,117	127,443,942
31st December 2021	28,671,107	188,364,117




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 Toll Free 080013033 for MFI/SACCO **unsolved Complaints**

 Association of Microfinance Institutions of Uganda

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