



AMFIU

MICROFINANCE SECTOR PERFORMANCE REPORT QUARTER 4 2025



Published by : Association of Microfinance
Institutions of Uganda

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

+256 (0)414- 259176 ; 0414 677176

www.amfiu.org.ug

amfiu@amfiu.org.ug

Contents

INTRODUCTION	2
Portfolio and Outreach.....	2
Percentage of Portfolio in Agriculture and Rural Areas.....	2
No of Customers under Agriculture.....	3
KEY PERFORMANCE INDICATORS	3
1. PRODUCTIVITY AND SUSTAINABILITY RATIOS.....	3
1.1 Operating Self Sufficiency.....	3
1.2 Return on Assets.....	4
1.3 Yield on investments	4
1.4 Yield on portfolio.....	5
1.4 Return on Equity.....	5
2. PORTFOLIO QUALITY RATIOS.....	5
2.1 PAR>30 days	5
2.2 Portfolio as a percentage of assets.....	6
2.3 Loan loss reserve ratio.....	6
2.4 Risk Coverage Ratio	7
2.5 Loan Loss Ratio	7
3. CAPITAL RATIOS.....	7
3.1 Debt to equity ratio	7
3.2 Capital Adequacy Ratio.....	8
3.3 Cost of Funds Ratio.....	8
4. EFFICIENCY AND PRODUCTIVITY RATIOS.....	8
4.1. Operating Expense Ratio	9
4.2 Average Outstanding portfolio per LO.....	9
4.3 Average Outstanding portfolio per LO.....	9
4.4 Average Outstanding Loan size.....	10
5. ENVIRONMENT, SOCIAL AND GOVERNANCE INDICATORS (ESG)	10
5.1 Awareness Raising and Training	10
5.2 Green Loan portfolio and outreach.	10
5.3 WASH Indicators.....	10
5.4 PWD Indicators.....	10
5.5. Youth Indicators.....	11
5.6 Refugee Portfolio.....	11
6. REPORTING INSTITUTIONS	12

QUARTER 4 2025 PERFORMANCE MONITORING REPORT

INTRODUCTION

The Quarter 4 Performance Monitoring Report presents the average results of key performance indicators for 104 financial institutions reporting through the PMT. These institutions include MDIs, MFIs, SACCOs, and select credit institutions and commercial banks that support microfinance.

The Performance Monitoring System, integrated into the PMT, analyzes financial reports and produces key indicators that reflect each institution's average performance. The tool also captures ESG indicators reported by institutions that implement ESG practices.

Portfolio and Outreach

Category of Financial Institution	Outstanding Portfolio	No of Borrowers	% of female borrowers	Voluntary savings
Banks and Credit institutions	1,537,066,367,530	411,579	65%	1,255,669,841,657
SACCOs	1,070,361,038,887	313,667	32%	426,606,148,752
MFIs	664,257,016,225	695,107	76%	0
MDIs	283,605,006,537	40,932	38%	67,389,951,249
Totals	3,555,289,429,179	1,461,285	53%	1,749,665,941,658

At the end of Q4, the outstanding portfolio from the 104 financial institutions stood at UGX 3.5 trillion, with a total of 1.46 million borrowers, 53% of whom were women. Voluntary savings amounted to UGX 1.74 trillion.

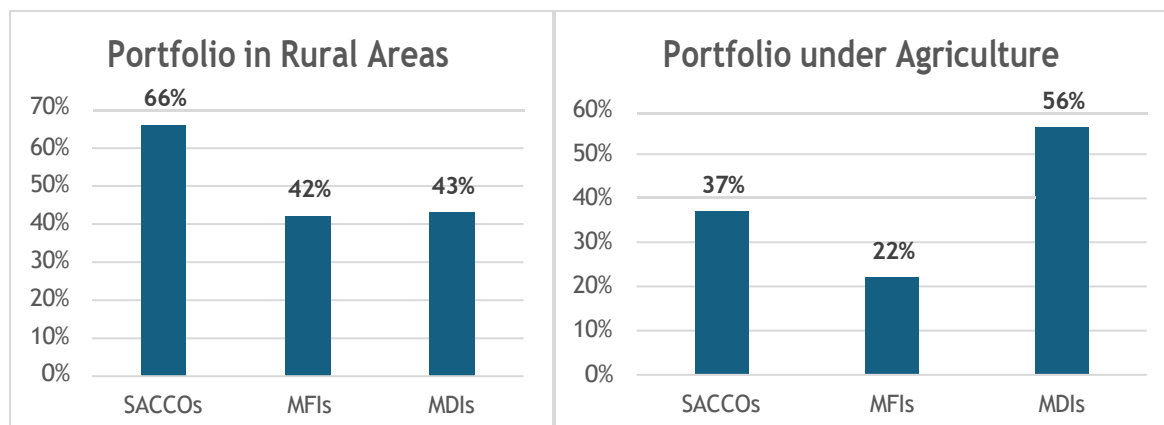
Compared to the previous Q3, the portfolio grew by 1.6%, while the number of clients increased by 0.74%. However, the percentage of female clients declined by 1%, from 54% to 53%.

Percentage of Portfolio in Agriculture and Rural Areas

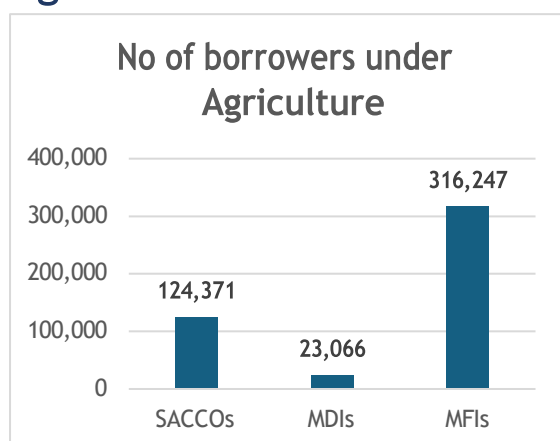
In Q4, SACCOs registered the highest proportion of their portfolio in rural areas at 66%, followed by MDIs at 43%, while MFIs recorded 42% rural outreach.

For the portfolio under agriculture, MDIs had the highest proportion at 56%, followed by SACCOs at 37%, while MFIs had the lowest share at 22%. Ideally, one would expect SACCOs to have the highest percentage of their portfolio in agriculture, given that they also have the highest rural outreach. However, this is not the case, largely due to the high average loan size for agriculture loans in MDIs compared to that in SACCOs.

In comparison to number of customers MFIs however had the highest number of customers under agriculture of 316,247, whereas SACCOs had 124,371 and MDIs had 23,066.



No of Customers under Agriculture.



KEY PERFORMANCE INDICATORS

The data from the financial statements, together with the portfolio reports, form the basis for calculating the key financial ratios used to measure the health and progress of a financial institution. The Performance Monitoring System, integrated within the Performance Monitoring Tool (PMT), supports this analysis.

Indicators related to profitability and sustainability, portfolio quality, capital, as well as efficiency and productivity, are

analyzed and compared with those of Quarter 3 of 2025.

1. Productivity and sustainability indicators.

These indicators reflect an MFI's ability to continue operating and grow in the future.

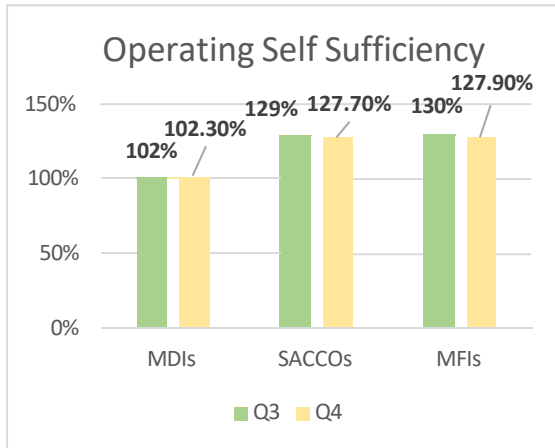
Under this category, the ratios analyzed include; Operating Self-Sufficiency, Yield on Portfolio, Return on Assets, Yield on Investments, and Return on Equity.

1.1 Operating Self Sufficiency.

This ratio helps managers determine whether the revenues generated from operations are sufficient to cover the related expenses. Revenues and expenses from non-operational activities are excluded, as they are not part of the core lending business. A financial institution should strive to maintain an Operating Self-Sufficiency (OSS) ratio of at least 100%; a ratio below this level indicates that operational revenues are insufficient to cover operational expenses.

From the graph below, all institutions recorded healthy ratios. MDIs scored 102.3%, almost the same as in the previous quarter. SACCOs recorded 127.7%, slightly below the

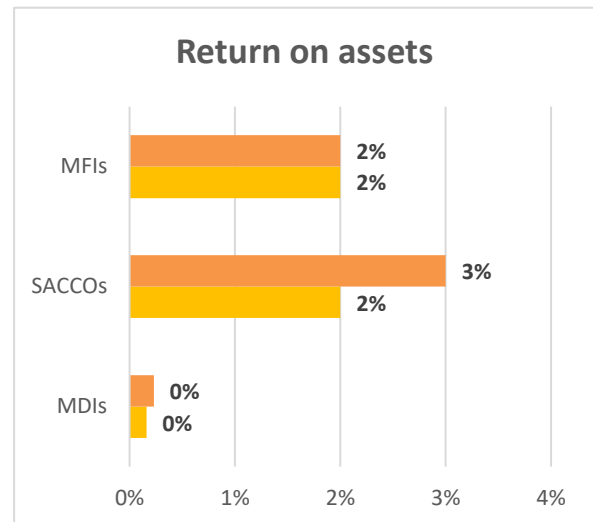
129% reported in the previous quarter. MFIs recorded 127.9%, also lower than the 130% recorded in the previous quarter. The standard recommends maintaining this ratio at 100%.



1.2 Return on Assets

The Return on Assets (ROA) ratio indicates how effectively a financial institution manages its asset base to generate revenue. Institutions that maintain a larger share of their assets in the loan portfolio tend to break even earlier and achieve better returns, especially when the quality of the portfolio is good. However, financial institutions usually hold other types of assets in addition to the loan portfolio.

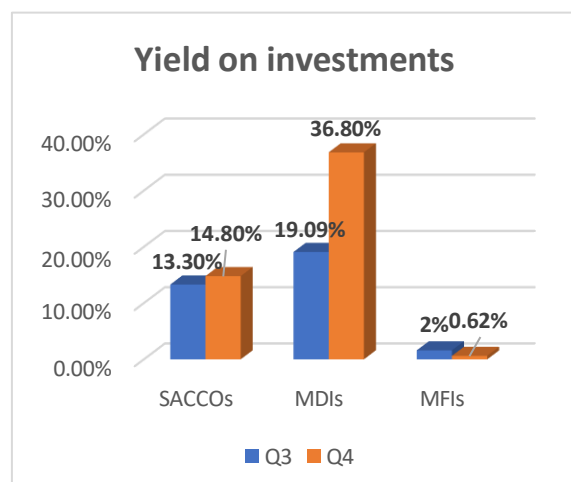
In Q4, MFIs recorded a Return on Assets of 2%, the same as in the previous Q3. SACCOs recorded 3%, compared to 2% in Q3, while MDIs recorded 0.16%, compared to 0.23% in Q3. The standard benchmark recommends this ratio at 5%.



1.3 Yield on investments

The Yield on Investment depends on how a financial institution allocates its resources to generate returns. Different institutions have various investment categories from which they earn these returns.

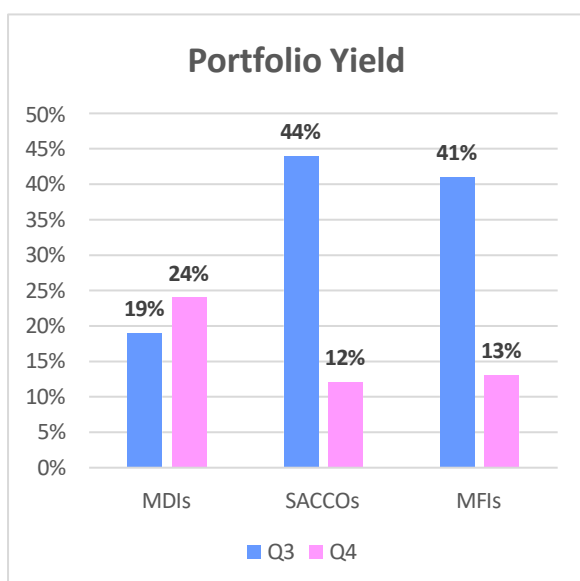
In Q4, MDIs recorded a yield on investment of 36.8%, compared to 19% in the previous quarter. SACCOs recorded 14.8% in Q4, compared to 13% in Q3. MFIs recorded 0.62% in Q4, compared to 2% in Q3. The standard benchmark for this ratio ranges between 15-30% depending on the funding mix and the risk profile.



1.4 Portfolio Yield

Portfolio yield helps a financial institution measure, in cash terms, how much it collects from interest, fees, and commissions charged on loans. These collections are important because they support the institution's ability to run and manage its operations. This ratio also helps management detect potential problems in the loan portfolio by comparing the actual interest and fees collected during a given period with what was expected to be collected.

In Q4, MDIs recorded a portfolio yield of 24%, compared to 19% in the previous quarter. SACCOs recorded 12%, lower than the 44% recorded in the previous quarter, while MFIs recorded 13%, also lower than the 41% recorded in the previous quarter. A ratio between 25-45% is desired.

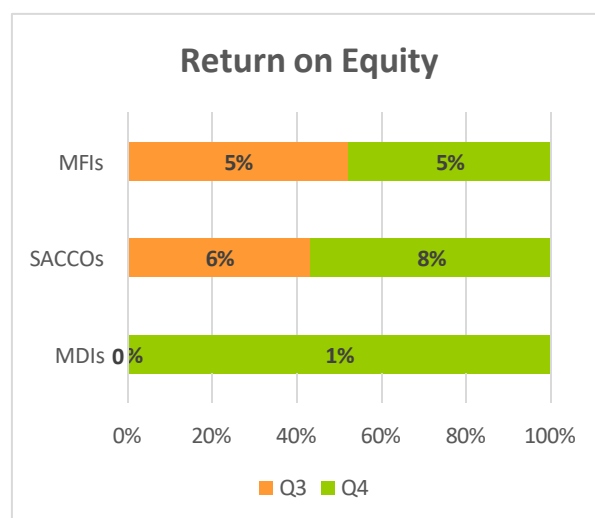


1.4 Return on Equity

The Return on Equity (ROE) ratio measures the rate of return on the average equity over a given period. This ratio reflects earnings generated not only from operational surpluses but also from donations or other contributions. It is commonly used to assess whether a business remains viable for continued investment based on the

dividends it can generate. Increasing equity strengthens a financial institution's capital structure, reducing reliance on debt financing.

In Q4, MFIs recorded a Return on Equity of 5%, the same as in the previous quarter. SACCOs scored 8%, up from 6% in the previous quarter, while MDIs recorded 1%, compared to 0.42% in the previous quarter. There is no standard benchmark for this ratio.



2. PORTFOLIO QUALITY RATIOS

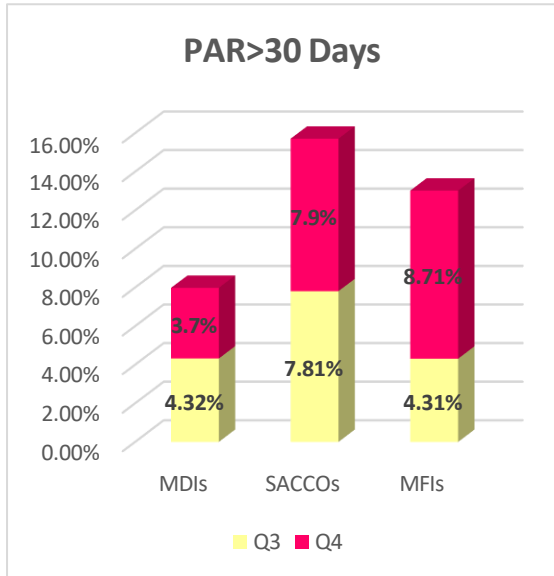
The loan portfolio is the main asset of a financial institution, and maintaining its good quality is a critical responsibility. Without a high-quality portfolio, a financial institution risks losing customers, income, and reputation, among other challenges. The ratios below have been analyzed as part of the portfolio quality assessment.

2.1 PAR>30 days

This ratio indicates the percentage of loans that are overdue by 30 days or more. The recommended standard for this ratio is less than 5%.

In Q4, MDIs recorded a healthy ratio of 3.7%, compared to 4.32% in the previous quarter.

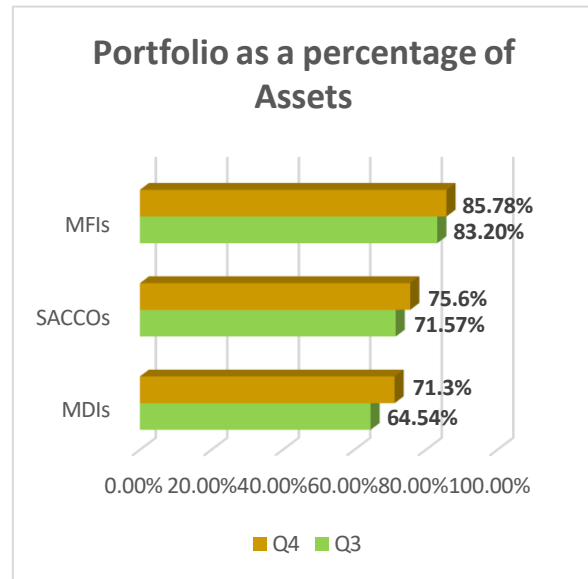
SACCOs recorded 7.9%, slightly higher than 7.8% in the previous quarter, while MFIs recorded 8.71%, significantly higher than 4.31% in Q3.



2.2 Portfolio as a percentage of assets

This ratio measures the percentage of a financial institution's assets held in its loan portfolio compared to other assets. There is no industry standard for this indicator, as each institution determines its portfolio allocation based on the anticipated level of risk and the returns it aims to generate.

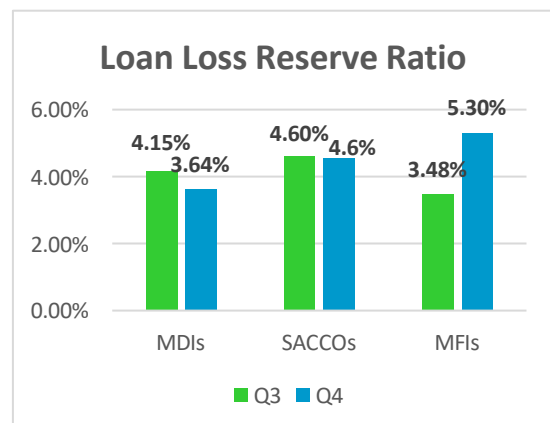
In Q4, MFIs allocated 85.7% of their assets to the portfolio, up from 83.2% in Q3. SACCOs allocated 75.6%, compared to 71.5% in the previous quarter, while MDIs allocated 71.3%, up from 64.5% in Q3.



2.3 Loan loss reserve ratio

This ratio measures the percentage of a financial institution's portfolio set aside to cover potential losses. Since some loans may not be repaid, it is prudent to reserve funds for anticipated credit losses.

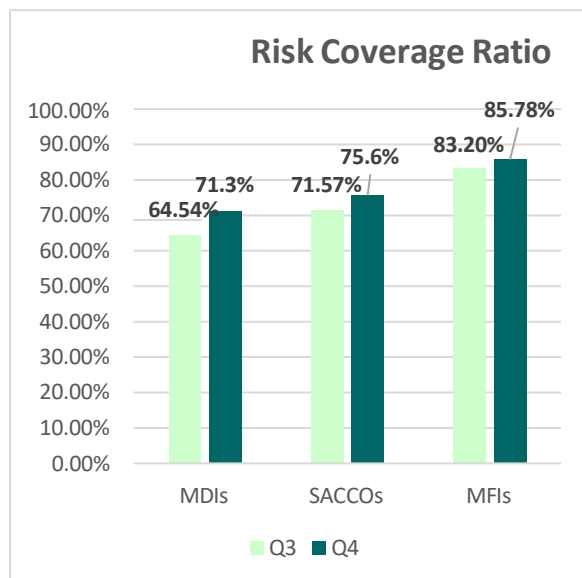
In Q4, MDIs reserved 3.64% of their portfolio, compared to 4.1% in Q3. SACCOs maintained a reserve of 4.6%, the same as the previous quarter, while MFIs increased their reserve to 5.3%, up from 3.48% in Q3. An increase in this ratio may indicate a rise in expected credit losses or deteriorating portfolio quality, while a decrease may suggest the opposite.



2.4 Risk Coverage Ratio

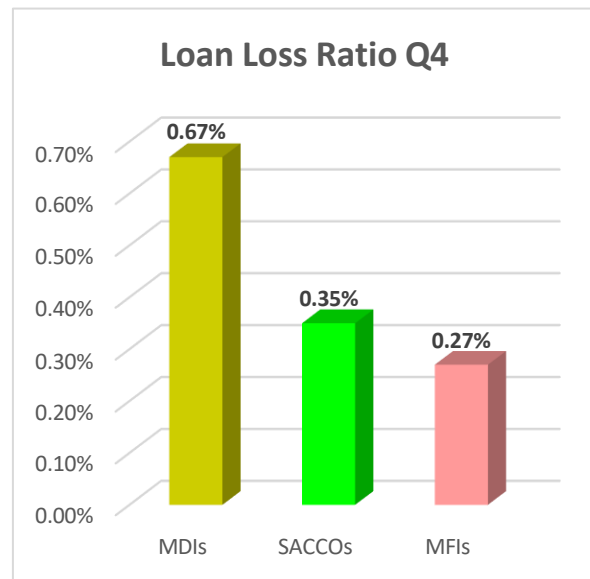
The Risk Coverage Ratio measures the percentage of the portfolio at risk that is covered by the loan loss reserve. A higher ratio indicates that a financial institution is setting aside more funds to cover potential loan defaults.

At the end of Q4, MDIs recorded a ratio of 71.3%, up from 64.5% in Q3. SACCOs recorded 75.6%, compared to 71.5% in Q3, while MFIs recorded 85.7%, slightly higher than 83.2% in Q3. A ratio of 100% would be desirable but this also varies from different institutions basing on their risk tolerance whether high or low.



2.5 Loan Loss Ratio

The Loan Loss Ratio indicates the percentage of loans written off relative to the average gross portfolio over a given period. The level of write-offs depends on each financial institution's write-off policy. In Q4 of 2025, MDIs wrote off 0.67% of their portfolio, SACCOs wrote off 0.35%, while MFIs wrote off 0.27%. The ratio is recommended at 3% and below.



3. CAPITAL RATIOS

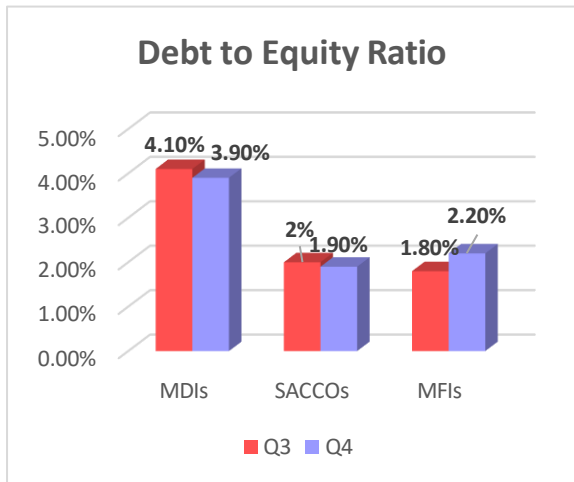
Capital ratios assess a financial institution's ability to absorb losses while still meeting its obligations as they fall due. Monitoring these ratios is crucial to protect depositors and ensure the institution can recover from both anticipated and unexpected losses. The key ratios considered here include:

3.1 Debt to equity ratio

This ratio measures the extent to which a financial institution is financed by debt relative to shareholders' equity. While it is generally not possible for a financial institution to operate without liabilities, maintaining limits on debt is important to reduce high interest obligations and limit exposure to economic downturns.

The recommended standards are: MDIs – 4 to 6 times equity, SACCOs – below 5 times, and MFIs – 2 to 3 times.

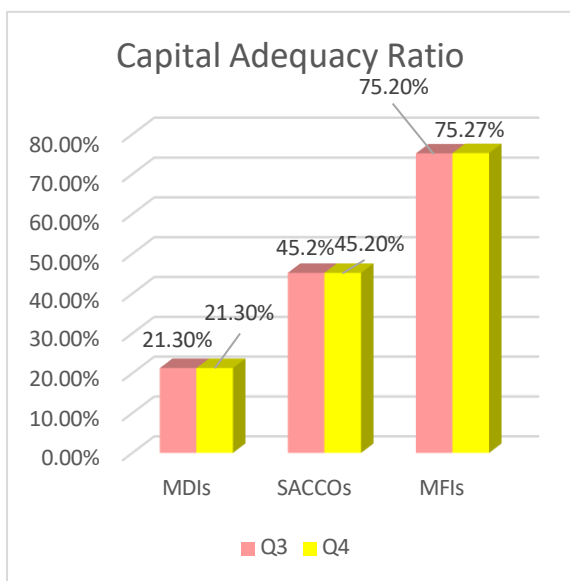
At the end of Q4, MDIs recorded a debt-to-equity ratio of 3.9, slightly lower than 4.1 in the previous quarter. SACCOs recorded 1.9, nearly the same as 2.0 in Q3, while MFIs recorded 2.2, higher than 1.8 in Q3.



3.2 Capital Adequacy Ratio

This ratio measures a financial institution's ability to absorb losses while continuing to meet its obligations as they come due. It compares the institution's capital to its risk-adjusted assets, ensuring it remains solvent even under adverse conditions. The recommended ratio is 30% for SACCOs and 50% for MFIs.

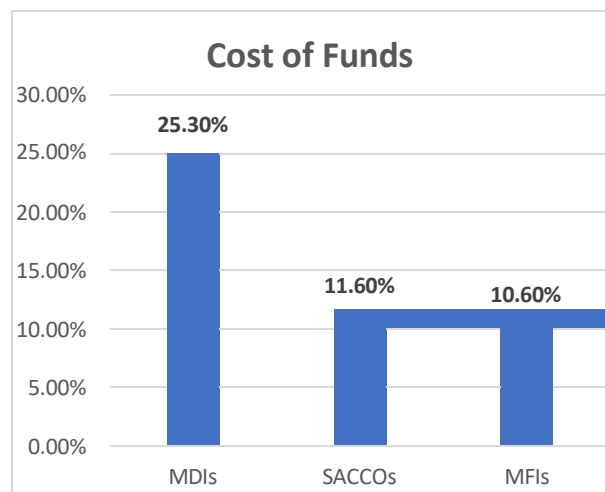
At the end of Q4, MDIs recorded a Capital Adequacy Ratio (CAR) of 21.3%, the same as in the previous quarter. SACCOs recorded 45.2%, unchanged from Q3, while MFIs recorded 75.2%, also the same as the previous quarter.



3.3 Cost of Funds Ratio

The Cost of Funds ratio represents the weighted average interest rate on a financial institution's funding sources, including liabilities, borrowings, and deposits. Institutions that actively mobilize savings may find it easier to access capital, although the effectiveness depends on the effort and resources invested in mobilizing sufficient savings. This ratio is annualized.

At the end of Q4, MDIs recorded a Cost of Funds ratio of 27.6%, SACCOs recorded 11.6%, and MFIs recorded 10.6%. A reducing ratio is desired.



4. EFFICIENCY AND PRODUCTIVITY RATIOS.

These ratios measure the relationship between inputs and outputs, focusing on how effectively a financial institution uses its assets and human resources. They answer the question: "Is my institution able to reach a large number of customers using the available resources at the lowest possible cost?"

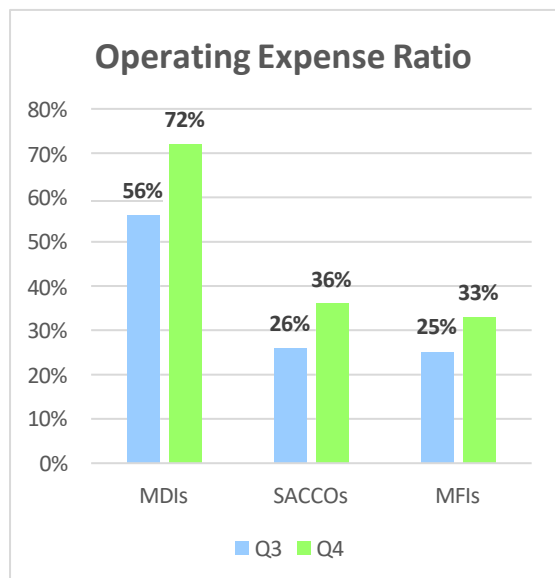
Efficiency ratios are influenced by factors such as the maturity of the institution, the products offered, and the staff involved.

Additionally, the methodology used to reach customers plays a significant role, as each of these factors affects efficiency and productivity in different ways.

4.1. Operating Expense Ratio

This ratio measures the operating expenses relative to the average gross loan portfolio, indicating how much the institution spends to manage its portfolio. Both personnel and administrative expenses are included. A decline in this ratio as the portfolio grows signals improved efficiency.

At the end of Q4, the ratio for MDIs rose from 56% in Q3 to 72%, MFIs recorded 36%, up from 26% in the previous quarter, and SACCOs recorded 33%, compared to 25% in Q3. Overall, all institutions experienced an increase in this ratio in Q4. The recommended standard for this ratio is between 60%-80%. The lower the ratio the better.

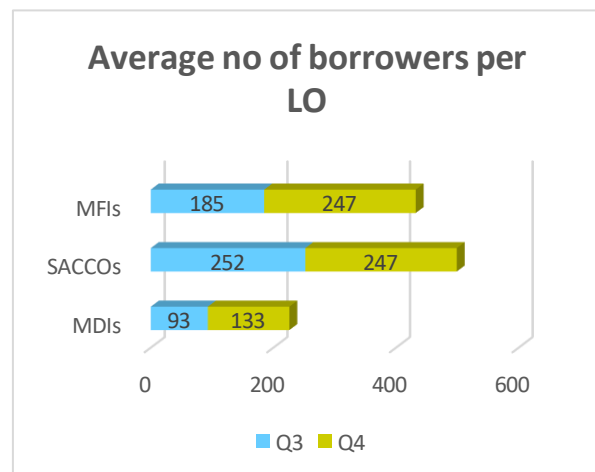


4.2 Average Outstanding portfolio per LO.

This ratio reflects loan officer productivity in relation to the number of clients they serve. It is relatively easy to monitor for financial

institutions that set targets for their loan officers and these can be set based on location, methodology used to manage clients among others. Ideally, a loan officer should manage a portfolio that is sufficiently productive yet manageable, ensuring that quality is not compromised while achieving efficiency.

At the end of Q4, the average number of borrowers per loan officer in MDIs increased from 93 in Q3 to 133. In MFIs, the number rose from 185 in Q3 to 247 in Q4, while in SACCOs, the average number of borrowers slightly decreased from 252 in Q3 to 247 in Q4. A case load of 250-500 is desirable for group loan officers and 150-250 for individual loan officers.



4.3 Average Outstanding portfolio per LO.

This ratio measures the average portfolio managed by a loan officer in a financial institution. It serves as a useful indicator for internally monitoring loan officer productivity. An increasing trend in this ratio is desirable, as it can generate more income when a high-quality portfolio is maintained.

In Q4, the average portfolio per loan officer in MDIs was UGX 926,813,746, up from UGX 632,634,920 in Q3. MFIs also recorded an increase from UGX 187,698,745 in Q3 to UGX

253,973,225 in Q4, while SACCOs saw a rise from UGX 743,352,631 in Q3 to UGX 770,491,261 in Q4.

4.4 Average Outstanding Loan size

This ratio indicates the average loan amount taken by borrowers in a financial institution. It is also important for impact funders and investors, as it provides insight into the number of customers a financial institution can reach when supported. Managers use the average loan size to project portfolio growth and profitability. However, this ratio can fluctuate due to seasonal factors, the methodology used, and the timing of loan disbursements within a given period.

Category of FI	Average loan size
SACCOs	3,412,412
MFIs	955618
MDIs	6,928,687

5. ENVIRONMENT, SOCIAL AND GOVERNANCE INDICATORS (ESG)

The PMT was upgraded to capture indicators under Environmental, Social, and Governance (ESG). By the end of Q4, 7% of financial institutions were able to report on these indicators, which still represents a small proportion compared to the 104 institutions that submit financial statements and portfolio reports through the PMT.

The indicators are categorized under several areas, including awareness raising and training, portfolio categorization under green finance, microinsurance, carbon footprint, energy use, water consumption, and inclusion indicators covering persons with disabilities, youth, and refugees.

5.1 Awareness Raising and Training

Based on the percentage of financial institutions that reported on ESG, 57% of their clients were trained on ESG, while 46% of board members and 57% of staff were also trained, respectively however if compared to the total 104 institutions, 2.4% of the clients were trained, 4.2% of staff and 3% of the board members were trained on ESG in Q4.

5.2 Green Loan portfolio and outreach.

By the end of Q4, 1,267 green loans had been disbursed, resulting in green loans accounting for 5.2% of the total outstanding portfolio. Additionally, 13 loan applications were rejected due to high risk.

Number of green loans disbursed	1267
% of outstanding green loans to total overall portfolio outstanding	5.2%
% of green loans disbursed	4.7%
Total number of loan applications rejected due to high environmental risk	13

5.3 WASH Indicators

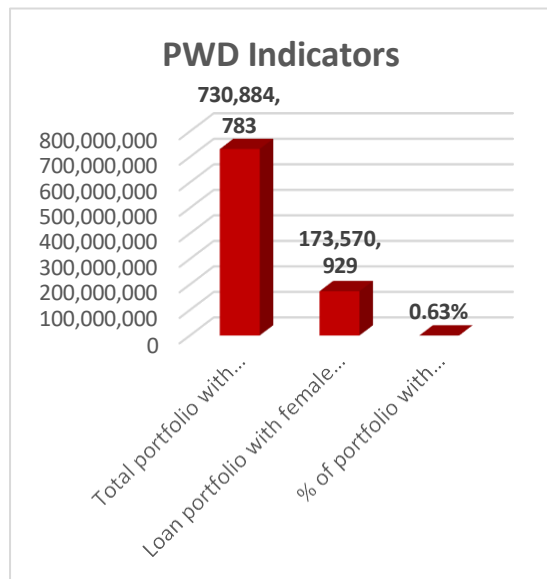
In Q4, the reporting institutions disbursed a total of 128 WASH loans, reaching 1,200 third-party beneficiaries. This resulted in an outstanding WASH portfolio of UGX 14,170,285,072.

Number of WASH loans disbursed.	128
Number of third party beneficiaries reached under WASH	1,200
Value of outstanding Portfolio under WASH at the end of Q4	14,170,285,072
Number of female Clients that have accessed WASH loans	154
Number of WASH loans written off	0

5.4 PWD Indicators

By the end of Q4, the reporting institutions recorded an outstanding portfolio of

730,884,783 for persons with disabilities, 23% of which was held by women. The portfolio for customers with disabilities accounted for 0.63% of the total portfolio.



5.5. Youth Indicators

Institutions that reported on ESG in Q4 registered a total of 91,670 youths served, 16% of whom are female. The youth portfolio contributes 41% of the overall portfolio of the reporting institutions and 6.3% of the entire total number of the 104 institutions reporting in PMT.

No of youth customers	91,670
% of female youth customers	16%
% of youth customers over total customers for reporting institutions	41%
% of youth customers compared to overall total customers reporting in PMT	6%

5.6 Refugee Indicators

The increasing number of refugees arriving in Uganda has provided some financial institutions with an opportunity to expand their customer base by financially including refugees. As shown in the table below, five institutions have reached out to this population and have so far served a total of 35,555 refugees, 38% of whom are female. The total portfolio has reached 18,902,399,536. Portfolio under refugee customers accounts for 15.4% of the total customers served by these institutions however compared to the overall portfolio of the 104 institutions it accounts for only 1%.

No of refugee customers	35,555
% of female refugee customers	38%
% of portfolio of refugee customer over total portfolio for the reporting institutions	15%
% of portfolio under refugees compared to overall portfolio	1%
Total portfolio under refugees	18,902,399,536

6. REPORTING INSTITUTIONS

1	ADVANCE SMART MICROFINANCE LTD
2	ASA MICROFINANCE (U) LTD
3	BAGEZZA SACCO LTD
4	BRAC UGANDA LTD
5	BUGADDE SACCO
6	BULADDE FINANCIAL SERVICES
7	BUNYARUGURU DEVELOPMENT SACCO
8	BURERE PEOPLES SACCO
9	BUSIU SACCO
10	BUTUURO PEOPLES SACCO LTD
11	BUYANJAA SACCO
12	CBS PEWOSA NSINDIKA NJAKE EYETEREKERA
13	CENTENARY BANK
14	CELEBRATE HOPE SACCO
15	CHAHI TEACHERS COOPERATIVE SOCIETY LTD
16	COMMUNITY FUND
17	DARWEN CREDIT LTD
18	DESTINY MICROFINANCE LIMITED
19	DEVELOPMENT MICROFINANCE LIMITED
20	DIVINE MICROFINANCE LIMITED
21	EAST AFRICAN PREMIER INVESTMENTS LTD
22	EBO SACCO
23	ECLOF UGANDA
24	ELEGLANCE FINANCE
25	ENCOT MFI
26	FINCA UGANDA LTD
27	GLORY SACCO
28	GOLDMINE FINANCE LIMITED
29	HAKASHENYI SACCO
30	HERITAGE CREDIT COMPANY LIMITED
31	HOFOKAM
32	IGARA BUHWEJU TEA FARMERS SACCO
33	IRYARUVUMBA DEVELOPMENT SACCO LTD
34	JENNIS FINANCE COMPANY

35	JUMPSTART AFRICA INVESTMENT SERVICES LTD
36	JUSTA MICRO CREDIT LTD
37	KARIBU MICROFINANCE
38	KASAANA SACCO
39	KASHONGI SACCO
40	KATI MICROFINANCE
41	KEBISONI SACCO LTD
42	KIFFI SACCO LTD
43	KIGARAMA FARMERS SACCO
44	KIGARAMA PEOPLES SACCO
45	KIHANGA MPARO SACCO
46	KIJURA SACCO
47	KINONI COOPERATIVE SAVINGS AND CREDIT SOCIETY
48	KISHENYI SACCO LTD
49	KOBOKO UNITED SACCO
50	KOLPING MICROFINANCE
51	KYAMUHUNGA SACCO
52	LETSHEGO UGANDA LIMITED
53	LWENGO MICRO FINANCE C/S LTD
54	LYAMUJUNGU COOPERATIVE FINANCIAL SERVICES LTD
55	MAC & MAX MICROFINANCE
56	MADFA SACCO
57	MAGANJO ST. APOLLO KIVEBULAYA COMMUNITY SACCO
58	MAMIDECOT
59	MARANATHA FINANCIAL SERVICES
60	MATEETE SACCO
61	MCDT SACCO
62	MIJWALA SACCO
63	MOYO CO-OP. SAV. & CR. SOCIETY LTD
64	MT. OTCE METU SACCO
65	MUBUGA SACCO
66	MUHAME SACCO
67	MUNTUYERA SACCO
68	MUSHANGA SACCO
69	MWIZI SACCO
70	NABUKALU COOPERATIVE SAVINGS & CREDIT SOCIETY LTD
71	NAZIGO SACCO
72	NGORA SACCO
73	NILE MICROFINANCE
74	NYAKAYOJO SACCO
75	NYAKIBALE DEV'T SACCO

76	NYARAVUR FARMERS
77	NZURI TRUST
78	OFFAKA SACCO
79	OPPORTUNITY BANK
80	OMIPA SACCO
81	REAL PEOPLE FINANCIAL SERVICES
82	RIDO SACCO
83	RUBABO PEOPLES' SACCO
84	RUFI MICROFINANCE
85	RUHIIRA MILLENIUM SACCO LTD
86	RUKIGA SACCO
87	RUKUNGIRI CHRIST THE KING CHURCH COMMUNITY SACCO LTD
88	RUKUNGIRI DISTRICT EMPLOYEES SACCO
89	RURAL DEVELOPMENT FOUNDATION UGANDA LIMITED (RDF)
90	RUSCA
91	RUSHANGO SACCO
92	RUSHERE SACCO
93	RWANYAMAHEMBE SACCO
94	SAJIDA MICROFINANCE LTD
95	SAO ZITOBWE SACCO
96	SHUUKU SACCO
97	TUJIJENGE UGANDA LTD
98	UGAFODE
99	UGANDA MICROCREDIT FOUNDATION LIMITED
100	UMOJA MICROFINANCE SMC LTD
101	VISION FUND UGANDA
102	WAKISO SELFHELP SACCO
103	WASHINDI SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD
104	Y-SAVE MULTIPURPOSE COOPERATIVE SOCIETY LTD