



DOING RURAL FINANCE BETTER: INNOVATIONS

3rd AFRICAN MICROFINANCE CONFERENCE

Presentation by:
Charles W. Nalyaali
Chief Executive Officer
Uganda Microfinance Limited

INTRODUCTION



- Who is a typical microfinance customer?
- What is his / her main challenge?
- How has UML adapted to the needs of her customers and addressed their challenges?

Who We Are



- Started in 1997 as UMU-NGO
- In 2005 elevated to MDI status
- Now can take deposits and offer other products
- Today we serve 115,000 Savings, and 30,000 Borrowing customers
- 26 branches (50% Rural)
- \$30.0 million Company

Our Rural Customers



- Men and women operating multiple micro or small informal businesses.
- They live in predominantly rural and peri-urban setting.
- Most of them are illiterate and semi illiterate
- 55% Woman Vs 45% men
- Farmers and dealers in agricultural produce, trade (road side / market vendors), etc
- Minimum loan size: \$58
- Average loan size: \$529

Challenges of offering Financial services to Rural Customers



- Customers live 30 – 120 km from branch
- Cost of transport is high
- High operating costs i.e. verification of business, tracking
- Limited access to financial services
- Poor infrastructure i.e. Roads, networks.
- Level of illiteracy



Our Solutions



- ✓ Create suitable and appropriate products
- ✓ Expand our national coverage
 1. Opening branches in rural areas (50%)
 2. Leveraging technology to ease access
- ✓ Sensitization through customer awareness campaigns
- ✓ Re-design our business processes
- ✓ Customer service orientation
- ✓ Branding

Appropriate Products



Wide range of attractive savings products

caters for various categories of savers

Account opening made easier

Group lending - Working Capital Loan

Solidarity groups of only 5 people

Monthly payments vs weekly repayments

Individual Lending – Micro Corporate Credit

Tailored for the more established business community

Micro Leasing Product

Allows financing of Capital Assets, freeing other Assets

Salary Loans – Employer Guarantee Loans

Targeting low salary earners

Back to School Loans

Allows customers to pay children's school fees on time
without hurting the other business

QuickCash Card

Enables customers to easily make deposits and
repayments

Offering an Agent Channel



3 Branches involved

- 8 agents
- 600 transactions per month
- \$50,000US value of transactions/month
- Significant shift in saving deposits in these locations

Creating a Culture of Savings



Latest innovation: Savings mobilization van



Customers opening savings accounts at the van





Taking Banking to the people



Thank You For Listening



UML contacts

Head Office

Plot 49/51, Bukoto, Street Kamwokya

P.O.Box 10184, Kampala

Tel: 0414 531 377, 077 2 245 183

Fax: 031 2 262 436

Email: info@uml.co.ug

Website: www.uml.co.ug

