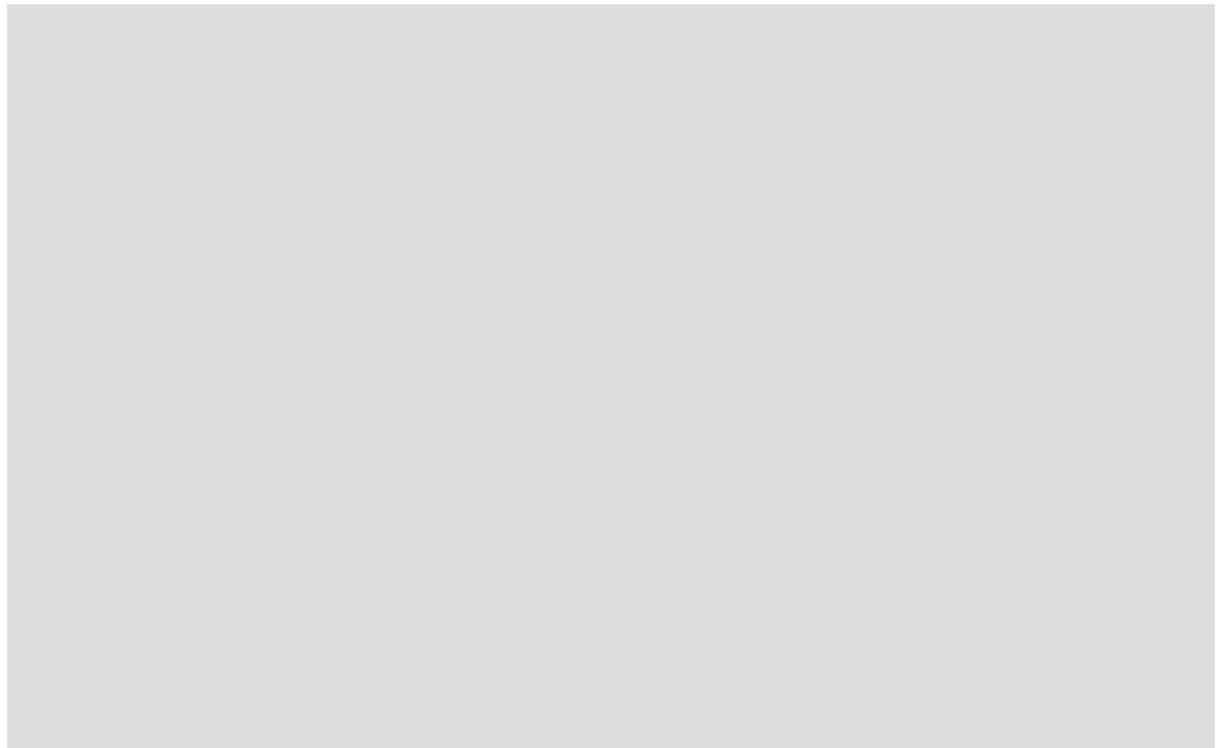




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KEY PERFORMANCE INDICATOR BENCHMARKS FOR MFIS/SACCOS IN UGANDA

REPORT



October, 2005

This publication was produced for review by the United States Agency for International Development. It was prepared by [Richard Otim – Friends Consult](#) for Chemonics International Inc



Rural SPEED

Rural Savings Promotion & Enhancement of Enterprise Development

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EXECUTIVE SUMMARY SHEET TO BE INSERTED INTO THE FINAL REPORT ON SACCO FINANCIAL MANAGEMENT TRAINING

These figures and ratios were obtained from the following sources:

- The UCA performance monitoring guidelines – for all the items not in italics
- Consultants best judgement, based on their knowledge of the Ugandan SACCO sub-sector

The indicators are not meant to be rigid, all-authoritative measures, but guidelines for individual SACCO's in their benchmarking.

No.	Indicator	Benchmark
P 1	Operating self-sufficiency	> 115%
P 2	Financial self-sufficiency	> 110%
P 3	Return on assets	=>5%
P 5	Return on equity	=>20 %
L 1	Liquidity ratio	=>100%
<i>L 2</i>	<i>Current ratio</i>	<i>>120%</i>
<i>E 1</i>	<i>Operating expense ratio (Opex/ Gross revenue)</i>	<i><50%</i>
E 2	Operating costs per loan outstanding	None
E 3	Operating costs per loan disbursed	None
E 4	Operating costs per USh disbursed in loans	< 15%
E 7	Average number of active loan clients per branch	None
<i>LP 1</i>	<i>Average loan portfolio outstanding per loan officer</i>	<i>>Sh 100m</i>
LP 2	Average number of active loan clients per loan officer	250
C 1	Debt to equity ratio	< 300%
<i>C 2</i>	<i>Capital adequacy ratio</i>	<i>>50%</i>
<i>C 3</i>	<i>Cost of funds ratio</i>	<i>n/a¹</i>
O 1	Percentage of active loan clients receiving loans as a group member	None
O 2	Percentage of active loan clients receiving loans as individuals	None
O 3	Percentage of total loans with a disbursed amount ≤ UShg 200,000	None
O 4	Percentage of total loans with a disbursed amount >3,000,000 UShg	None
O 5	Percentage of active loan clients in rural branches	None
	Loans past due greater than 1 day	< 10%
	Loans past due greater than 30 days	< 5%
<i>Q 8</i>	<i>Loan loss reserve ratio</i>	<i>n/a²</i>
Q 9	Risk coverage ratio (LLR/PAR 30 days & beyond)	50%
<i>Q 10</i>	<i>Effective repayment rate</i>	98%
<i>Q 12</i>	<i>Quarterly growth in value of loan portfolio</i>	<i>n/a³</i>

¹ The cost of funds ratio is not a performance benchmarking measure in Uganda, and generally unsuitable for cross-institutional comparisons. It would convey the idea that MFI that do not get their funds from the market were doing better than those that do.

² There is no single LLR ratio for all MFIs. The suitable ratio for an institution depends on its PAR – thus the Risk Coverage Ratio is the benchmark used

³ No one-size bench mark. Depends on the size of the institution. Smaller, fast growing SACCOs can sustain >50% per quarter for some time, while mature, large MFI might average a 5% to 10% per quarter growth

