

small loans for
big changes

**Programme
Office**

Plot #49 Republic Street
P.O. Box 907
Mbale, Uganda
TEL/FAX: 256-45-33069
TEL: 256-45-34295

FOCCAS Uganda

Foundation for Credit and Community Assistance

22 November 1999

Cassini Nalumoso
Centre for Microenterprise Finance
PRESTO Project
P.O. Box 24204
Kampala, Uganda
Fax: 041-347-635

Dear Mr. Nalumoso,

Re : Performance Indicators for April - June 1999 ⁸³

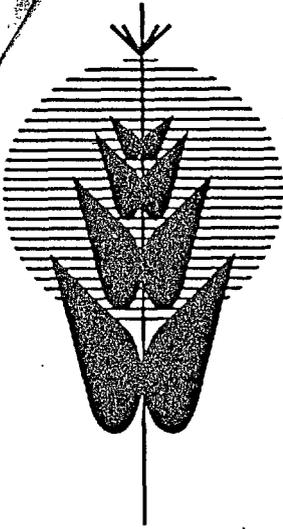
Please find attached the reporting format completed for the 1 April - 30 June 1999 period. My apologies for the delay in this submission.

Please do not hesitate to call if you have any questions or concerns.

Sincerely,

Robert Richards
Program Manager

c.c. Jackie Wakhweya, USAID / Kampala



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FOCCAS Uganda

Foundation for Credit and Community Assistance

22 November 1999

Jackie Wakhweya
USAID / Kampala
P.O. Box 7007
Kampala, Uganda
Fax: 041-233-417

Dear Ms. Wakhweya,

Re : Performance Indicators for April – June 1999

Please see the attached letter and reporting form. Please do not hesitate to call if you have any questions or concerns.

Sincerely,

Robert Richards
Program Manager

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PRESTO Center for Micro-finance

Quarterly Financial Information

Micro-finance Institution: FOCCAS Uganda
Report Period: 1 April - 30 June 1999

Physical Location of Financial Services:

Kampala:	0% of current clients
District Towns:	8.0% of current clients
Villages:	92.0% of current clients

Client Characteristics:

Gender:

Male:	0%
Female:	100%

Type of Economic Activity:

Commerce:	100%
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Financial Products and Delivery Methodologies

Loans

Description: FOCCAS Uganda has only one loan product, which it provides to clients as part of its *Credit with Education* program. FOCCAS Uganda field staff travel to villages to promote the program (i.e., explain the benefits, conditions, and rules of participation in the program) and invite women who are interested in receiving loans for income-generating activities to form solidarity groups of four to six individuals each. These solidarity groups, in turn, join together to form Credit Associations of 35 to 45 members each. After participating in five half-day training sessions in Credit Association management over five weeks and then democratically electing their own officers, these groups receive a 16-week loan from FOCCAS Uganda. The Credit Association divides this loan into smaller loans for individual members to invest in micro-enterprise activities. The maximum initial loan size is Ush 50,000; higher loans are available in subsequent cycles as long as the individual performs well and the Credit Association maintains a good credit rating. Members guarantee repayment of each other's loans at both the solidarity group and Credit Association levels, so they must all agree that each borrower is capable of making a sufficient profit from the proposed income-generating activity to repay the Credit Association with interest. Repayments to FOCCAS Uganda are made every four weeks; the Credit Association transfers the amount due from its own bank account to a FOCCAS Uganda bank account. When the Credit Association repays its entire loan to FOCCAS Uganda on time and with interest, it becomes eligible immediately to receive a new, usually larger group loan.

Borrowers usually invest their loans in economic activities for which they are already skilled and need no technical assistance to learn. Examples include buying and selling foodstuffs, food processing and selling, small animal raising, brewing alcoholic beverages, or operating kiosks. Credit Association members meet weekly to manage the affairs of the group. They make weekly installment payments of principal and interest on their loans (the interest rate charged is 12% per 16-week cycle).

A part of each regular meeting of the Credit Association is set aside for a "learning session"

which is facilitated by the FOCCAS Uganda field agent -- using an interactive, non-formal methodology geared specifically to adults. The *Credit with Education* learning sessions focus on two major areas: 1) health, nutrition, and family planning; and 2) micro-enterprise development. The health and nutrition topics include discussions on diarrhea management and prevention, HIV/AIDS prevention, breastfeeding, infant and child feeding, immunization, and family planning.

Interest rate (Nominal Annual Rate):	36%
Calculation Method:	Flat
Payment Frequency:	Weekly
Loan Term:	16 or 20 weeks
Grace Period:	None
Time Between Loans:	One week
Groups or Individuals:	Loans are made through Credit Associations to individuals for individual activities
Average Disbursed Loan Size:	Ush 75,582

Savings

Description: Credit Association members are required to make regular deposits of personal savings at their weekly Credit Association meetings (each Credit Association establishes a minimum weekly savings requirement as part of its bylaws). After the first loan cycle, FOCCAS Uganda requires that each Credit Association maintain at least 5% of the amount of its loan on deposit as savings. Voluntary savings above this minimum are encouraged. The savings of Credit Association members are deposited into the Credit Associations' bank accounts. FOCCAS Uganda does not control or lend out members' savings.

Type of Savings:	Compulsory and voluntary
Compulsory Amount:	5% of loan amount after first cycle
Custody of Savings:	Credit Association bank account
Effective Control of Account:	Clients
Withdrawal Restrictions:	Must maintain at least 5% of loan amount; no other withdrawal restrictions
Interest (Annual Rate):	FOCCAS Uganda does not pay interest on savings, but the banks at which the Credit Associations have their accounts (Co-operative Bank and Uganda Commercial Bank) do pay interest
Frequency of Interest Payment:	N/A

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	April – June 1999
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ITEM	ACCOUNT	CHANGE THIS QUARTER	BALANCE AT END OF QUARTER UG.SHS. ³
5a	Interest on loans	63,707,020	63,707,020
5b	Fees on loans/savings	0	0
5c	Loan/savings income (Line 5a plus 5b)	63,707,020	63,707,020
5d	Investment income	126,266	126,266
5e	Other operating income	2,721,622	2,721,622
5f	TOTAL OPERATING INCOME (Sum line 5c to 5e)	66,554,908	66,554,908
6a	Interest on market debt	5,478,301	5,478,301
6b	Interest on subsidized debt	0	0
6c	Interest on savings	0	0
6d	Exchange rate depreciation expenses	0	0
6e	TOTAL FINANCIAL EXPENSES (Sum line 6a to 6d)	5,478,301	5,478,301
7	GROSS FINANCIAL MARGIN (Line 5f less 6e)	61,067,607	61,067,607
8	Loan Loss provision expenses	26,683,114	26,683,114
9	NET FINANCIAL MARGIN (Line 7 less 8)	34,393,493	34,393,493
10a	Personnel Expenses	81,650,513	81,650,513
10b	Rent and utilities	2,356,100	2,356,100
10c	Transportation	33,644,900	33,644,900
10d	Office supplies	3,714,650	3,714,650
10e	Depreciation	13,364,505	13,364,505
10f	Other operating and administrative expenses	15,978,119	15,978,119
10g	TOTAL OPERATING EXPENSES (Sum line 10a to 10f)	150,708,787	150,708,787
11	PROFIT (LOSS) ON FINANCIAL SERVICES (Line 9 less 10g)	(116,315,294)	(116,315,294)
12	Extraordinary Income (Expenses)	0	0
13a	Grants and donations to subsidize financial services	52,712,124	52,712,124
13b	Income from non-financial services	0	0
13c	Expenses from non-financial services	0	0
14	SURPLUS/(DEFICIT) (Sum lines 11,12, and 13a less 13c)	(63,603,170)	(63,603,170)
15	Taxes paid on taxable income	0	0
16	Dividends	0	0
17	RETAINED SURPLUS/(DEFICIT) (Line 14 less lines 15 and 16)	(63,603,170)	(63,603,170)

³ Note that FOCCAS Uganda underwent an audit for the period ending 31 March 1999. Thus, all account code balances were returned to zero beginning 1 April 1999.

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION		FOCCAS Uganda	REPORT PERIOD	April - June 1999
ITEM	ACCOUNT		CHANGE THIS QUARTER	BALANCE AT END OF QUARTER UG.SHS.
1a	Cash and bank		119,629,119	323,200,778
1b	Investments in short-term market instruments		0	0
1c	Reserves in central bank		0	0
1d	TOTAL QUICK ASSETS (Sum of line 1a to 1c)		119,629,119	323,200,778
1e	Current loan portfolio		(61,499,856)	389,948,865
1f	(Loan loss provision)		(26,683,114)	(47,005,875)
1g	Accrued interest		0	0
1h	Other short term assets		1,962,438	43,702,246
1i	TOTAL CURRENT ASSETS (Sum of line 1a through 1h)		33,408,587	709,846,014
1j	Long-term portion of loan portfolio		0	0
1k	Long-term investments		0	0
1l	Land, Buildings and leasehold improvements		0	0
1m	Vehicles and equipment		(18,958,018)	200,999,928
1n	TOTAL LONG-TERM ASSETS (Sum of line 1j to 1m)		(18,958,018)	200,999,928
1o	TOTAL ASSETS (Line 1i plus 1n)		14,450,569	910,845,942
2a	Voluntary Savings		0	0
2b	Compulsory Savings		0	0
2c	Demand deposits		0	0
2d	Time deposits		0	0
2e	Loan from Central Bank		0	0
2f	Loan from head office		0	0
2g	Loans at market interest rates		(50,000,000)	52,000,000
2h	Loans at subsidized interest rates		(122,500,000)	72,500,000
2i	Interest accrued on liabilities		3,422,376	8,449,716
2j	Other short-term liabilities		20,355,532	28,407,475
2k	TOTAL SHORT-TERM LIABILITIES (Sum of line 2a to 2j)		(148,722,092)	161,357,191
2l	Term savings		0	0
2m	Long-term loan from head office		0	0
2n	Long-term debt at market interest rates		50,000,000	50,000,000
2o	Long-term debt at subsidized interest rates		72,500,000	72,500,000
2p	Other long-term liabilities			0
2q	TOTAL LONG-TERM LIABILITIES (Sum 2l through 2p)		122,500,000	122,500,000
2r	TOTAL LIABILITIES (Sum lines 2k and 2q)		(26,222,092)	283,857,191
3a	Shareholders equity		0	0
3b	Donated Capital (Fund Balance)		(80,945,747)	309,173,439
3c	Retained surplus/(deficit) prior years plus prior quarters of current year		270,637,982 ¹	270,637,982
3d	Reserves		110,780,500 ²	110,780,500
3e	Other capital accounts		0	0
3f	Retained surplus/(deficit) this quarter (line 17)		(259,800,074)	(63,603,170)
3g	TOTAL CAPITAL (Sum lines 3a to 3f)		40,672,661	626,988,751
4	Total Liabilities and Capital (Line 2r plus 3g)		14,450,569	910,845,942

¹ Previous to this report, retained surplus from previous periods was not shown. Note that the figure shown here differs from the previous report figure of 196,196,094. The figure shown here is that provided by the audit ending 31 March 1999. The difference was caused by the auditors accounting for grant receipts on a different time basis than that used by FOCCAS Uganda for the previous report.

² An advance received from Freedom from Hunger on the 1999 / 2000 USAID / IGP Grant, necessitated by Coop Bank closure.

**PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information**

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	April – June 1999
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SUMMARY OF PAST DUE LOANS

Please provide data as of the last day of the period to be analyzed

Name of Branch	Total Principal Outstanding	Total Principal Past Due	Principal in Arrears 1-30 days	Principal in Arrears 31-60 days	Principal in Arrears 61-90 days	Principal in Arrears 91-180 days	Principal in Arrears 181-366 days	Principal in Arrears 365+ days
Mbale/Kapchorwa	222,498,190	38,938,515	15,414,300	4,660,665	3,312,900	15,550,650	0	0
Tororo/Busia	166,751,865	45,575,320	15,055,120	3,116,600	13,435,300	13,968,300	0	0
Totals:	389,250,055	84,513,835	30,469,420	7,777,265	16,748,200	29,518,950	0	0
Provision Rates:	N/A	N/A	10%	50%	75%	85 – 100%	0	0
Computed Provisions	N/A	N/A	3,046,942	3,888,633	12,561,150	27,509,150	0	0

PLEASE EXPLAIN ANY DIFFERENCES IN THE LOAN LOSS PROVISIONS AS CALCULATED IN THE SUMMARY OF PAST DUE LOANS TABLE SHOWN ABOVE AND THOSE SHOWN IN THE FINANCIAL STATEMENTS.

N/A

PORTFOLIO AT RISK (PAR)

Please provide data as of the last day of the period to be analyzed. Please note that PAR refers to the entire portfolio affected by overdue payments, NOT just the payments that are past due.

Name of branch	Total Principal Outstanding	Portfolio at Risk (arrears 1 day or more)		Portfolio at Risk arrears 30 days or more)		Portfolio at Risk (arrears 90 days or more)	
		Total Amount	Overall % rate	Total Amount	Overall % rate	Total Amount	Overall % rate
Mbale/Kapchorwa	222,498,190	38,938,515	18%	23,524,215	11%	15,550,650	7%
Tororo/Busia	166,751,865	45,575,320	27%	30,520,200	18%	13,968,300	8%
TOTAL:	389,250,055	84,513,835	22%	45,044,415	14%	29,518,950	8%

VALUE OF LOANS WRITTEN OFF THIS QUARTER

5,413,850

VALUE OF LOANS WRITTEN OFF LAST FISCAL YEAR

0

PLEASE DESCRIBE YOUR POLICY FOR WRITING OFF DELINQUENT LOANS

All loans over 180 days past due are written off.

PLEASE DESCRIBE ANY DIFFERENCES BETWEEN YOUR STATED LOAN WRITE OFF POLICY AND THE WAY THAT LOANS HAVE BEEN WRITTEN OFF EITHER THIS YEAR OR LAST YEAR

The policy of writing-off loans was implemented effective 1 April 1999.

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	April – June 1999
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Outreach: Loans	
Number of borrowers with loans outstanding at the beginning of the period*	7,170
Number of borrowers with loans outstanding at the end of the period	6,857
Value of loans outstanding at the beginning of the period	451,449,321
Value of loans outstanding at the end of the period	389,250,055
Number of loans disbursed during the period	2,693
Value of loans disbursed during the period	269,215,150
Number of loan clients exiting the program during the period*	140
Percent women	100

*Do not include clients who are in between loan cycles, or who have temporarily declined loan facilities.

Outreach: Savings	
Number of savers at the beginning of the period	7,616
Number of savers at the end of the period	8,298
Value of savings at the beginning of the period	89,491,175
Value of savings at the end of the period	100,901,277
Percent women	100%

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	April – June 1999
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OPERATIONAL ANALYSIS

Operational Subsidy Analysis	
1. Grant Income	
DID YOUR PROGRAM RECEIVE GRANTS TO SUPPORT ITS OPERATIONAL COSTS IN THE QUARTER TO BE ANALYSED?	Yes
WHAT WAS THE AMOUNT OF THESE GRANTS DURING THE QUARTER TO BE ANALYSED? (ENTER ON LINE 13a OF OPERATING PROFIT AND LOSS STATEMENT)	52,712,124
2. In Kind Subsidies	
WERE ANY MANAGERIAL OR OPERATIONAL PERSONNEL PAID BY DONOR FUNDS THAT ARE NOT INCLUDED IN YOUR INCOME STATEMENT? INCLUDE ANY EXPATRIATE STAFF OR CONSULTANTS WHO PROVIDED DIRECT OPERATIONAL SUPPORT BUT EXCLUDE ANY SHORT-TERM TECHNICAL ASSISTANCE. EXPLAIN BELOW ANY PERSONNEL THAT HAVE BEEN EXCLUDED.	No
WHAT WAS THE AMOUNT OF THE SUBSIDIZED SALARIES AND BENEFITS DURING THE YEAR?	N/A
DID THE PROGRAM USE ANY PROPERTY OR EQUIPMENT WHICH BELONGS TO ANOTHER PARTY AND IS NOT ACCOUNTED FOR ON YOUR FINANCIAL STATEMENTS? (i.e. OFFICES, COMPUTER EQUIPMENT, VEHICLES, ETC.)	No
IF YES, PLEASE EXPLAIN TO US WHAT KIND OF EQUIPMENT/PROPERTY AND HOW IT WAS USED IN YOUR OPERATIONS:	
N/A	
WHAT WOULD YOU HAVE HAD TO SPEND TO SUBSTITUTE FOR THIS EQUIPMENT OR PROPERTY DURING THE YEAR TO BE ANALYSED? EXPLAIN YOUR CALCUALTIONS IN THE SPACE BELOW.	
N/A	
INFORMATION ON STAFFING AND PERSONNEL	
Number of staff at beginning of period:	36
Number of staff hired during period:	8
Number of staff who left during the period:	1
Number of Loans Officers at the end of the period:	25

**PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information**

MICROFINANCE INSTITUTION	FOCAS Uganda	REPORT PERIOD:	April - June 1999
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STRUCTURE OF LIABILITIES ANALYSIS

Description, Each of Program's Liabilities:

Include savings and/or deposits only if these funds are available to be on-lent or invested.

Source (complete on separate sheet if necessary)	Item No. and Account on Balance Sheet	Is liability in local or foreign currency?	If foreign, give value of liability in that currency	Amount of the liability on Balance Sheet (in UGSHS)
European Development Fund	2n	Local	N/A	50,000,000
Friedland and Baldrige	2h and 2o	Foreign	US\$100,000	145,000,000
Cooperative Bank	2g	Local	N/A	52,000,000

Cost of Funds Data, Each of Program's Liabilities

Source	Average amount of this liability during the quarter	Nominal interest rate (annualized)	Terms and conditions: (original value of liability, repayment period, frequency of payment, declining balance of flat)	Interest expense incurred for this liability for the quarter
European Development Fund	Ush50,000,000	13.25%	Interest payable half yearly in July and December on balance	3,200,611 and 3,367,708
Friedland and Baldrige	US\$100,000	3.0%	US\$50,000 due 30/9/99 US\$50,000 due 30/9/00	1,087,500
Cooperative Bank	Ush52,000,000	16.0%	Interest payable monthly on balance (bank closed on 20/5/99, and now with Bank of Uganda)	2,080,000

STATE PARTICULARS OF ANY LIABILITIES SHOWN ON BALANCE SHEET THAT ARE NOT INCLUDED IN ABOVE ANALYSIS.

N/A

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Accounting Policies

a) **Basis of Account Valuation method: cost basis, adjusted historical cost, current cost accounting.**

If any of the four fundamental account assumptions (i.e. going concern, consistency, accrual and prudence) are not followed, please indicate.

All the four accounting assumptions are followed

b) **Depreciation Method (also mention how often depreciation is calculated and posted)**

Straight line method, depending on the life of the asset, depreciation is calculated and posted monthly in the accounts

c) **Revenue recognition method for interest, commission and fee income (accrual or cash)**

See 31/12/98 report

d) **Translation/conversion of foreign currencies (including the disposition of exchange gains and losses)**

See 31/12/98 report

e) **Any other policy (e.g. method of allocation of common costs in a multi-purpose program)**

N/A