

There is
strength
in numbers



LINKAGE BANKING – STRATEGIES AND EXPERIENCES FROM UGANDA

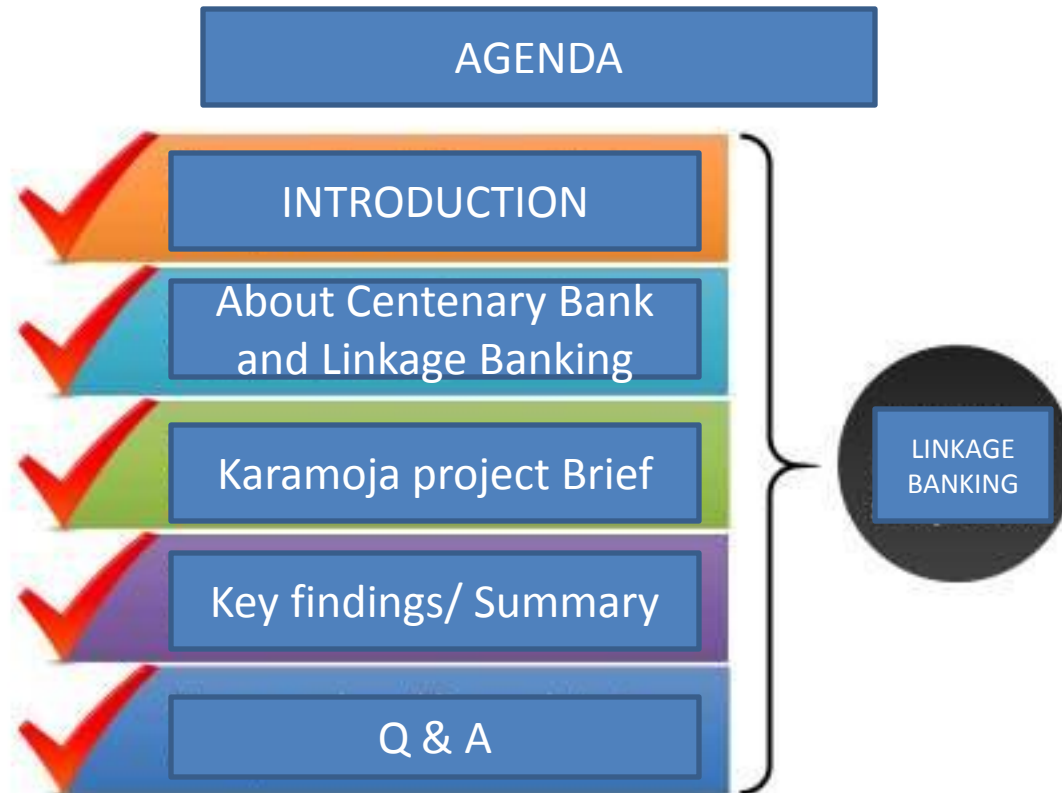
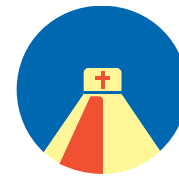


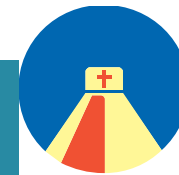
**Centenary
Bank**

...our bank

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

OCTOBER 2014



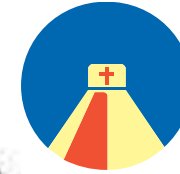


OUR MISSION: To provide appropriate financial services especially microfinance to all people in Uganda, particularly in rural areas, in a sustainable manner and in accordance with the law

OUR VISION: To be the best provider of financial services, especially Microfinance in Uganda.

BRIEF ABOUT THE BANK: Started in 1983 as a SACCO, 1993 licensed as a commercial bank

- Branches- 62, ATMs- 148, Staff compliment 2,115, Customers- 1.5m
- 4th largest bank, 2nd largest in branch network.
- Leading microfinance bank
- Leading banker for SACCOs and VSLAs



Linkage Banking Model

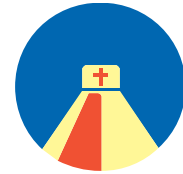
MDIs

MFIs

VSLAs

Cooperatives

SACCOs



Outreach and Linkage Banking

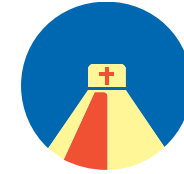


1. 62 Branches
2. 148 ATMs
3. 1.5m customers vs 4m (Market)
4. 2,198 employees
5. 4 MDIs
6. 10 MFIs
7. 9,820 SACCOs
8. 5 Cooperatives
9. 124,000 VSLAs
10. 150,000 borrowers

YOUR LOGO

Why Karamoja?

Baseline Survey findings



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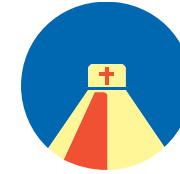
KARAMOJA BASELINE SURVEY FINDINGS

Most underserved area in terms of financial services.

1% of the population is accessing financial services

Several NGOs were forming VSLAs, and there was a need for a linkage

Two bank branches in the whole region, and with basic services



OBJECTIVES- KARAMOJA PROJECT

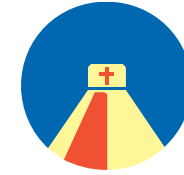
set up branches of
Moroto and Kotido

Prepare expansion/
outreach
programmes
through
technologies
like POS ,
Centemobile



establish
linkage banking
with the
communities

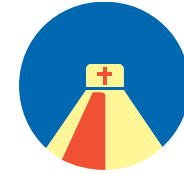
provide basic
financial literacy
to the
communities



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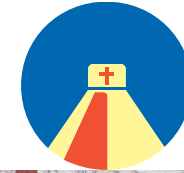
Centenary Rural Development Bank Ltd, 2014



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Group discussion



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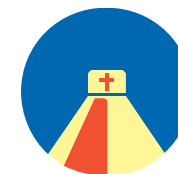
Discussing account statements



TOT session



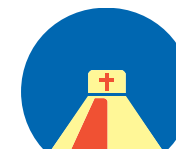
Performance



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S/No	Particulars	PPP Targets/Pl an '2013- 2014	Actual Achieved Jun 2013-Jul 2014	Variance (TOTAL Actual- TOTAL Targets)
1a	No of groups Mobilized	200.0	1,259.0	1,059.0
1b	No of group Members Reached/Mobilized	4,000.0	14,586.0	10,586.0
2a	No of trainers trained (TOT)	100	145.0	145.0
2b	No of groups trained	200.0	810.0	610.0

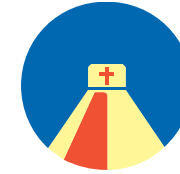
Performance



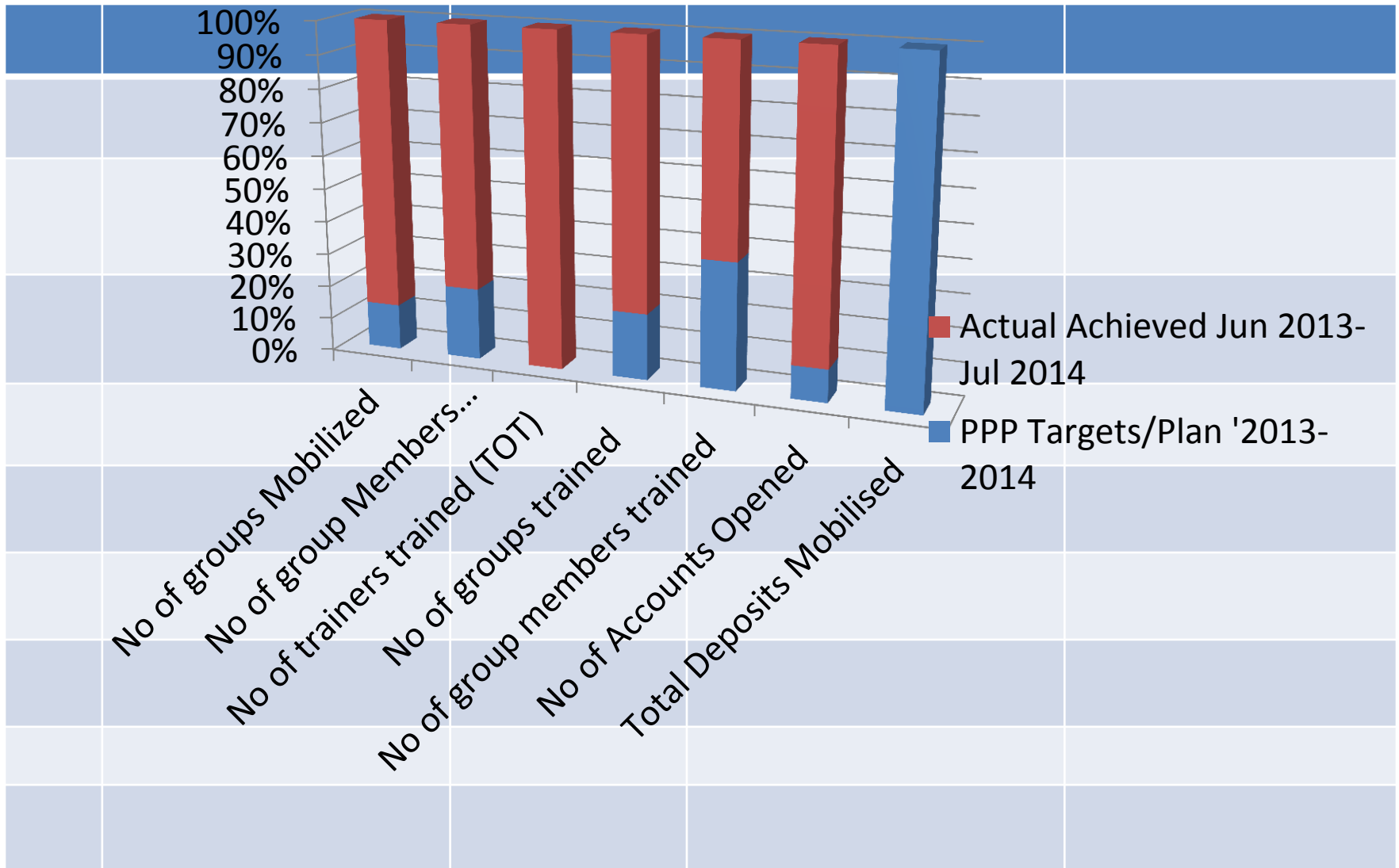
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S/N o	Particulars	PPP Targets/Plan '2013-2014	Actual Achieved <i>Jun 2013-Jul 2014</i>	Variance (TOTAL Actual-TOTAL Targets)
2c	No of group members trained	4,000.0	6,543.0	2,543.0
3a	No of Accounts Opened	200.0	1,829.0	1,629.0
4A	Total Deposits Mobilised	92,500,000.0	3,839,137,433.0	3,746,637,433.0
5a	Established Agency	2.0	-	(2.0)
6b	Cente-Mobile plat form	185.0	307.0	122.0

Performance



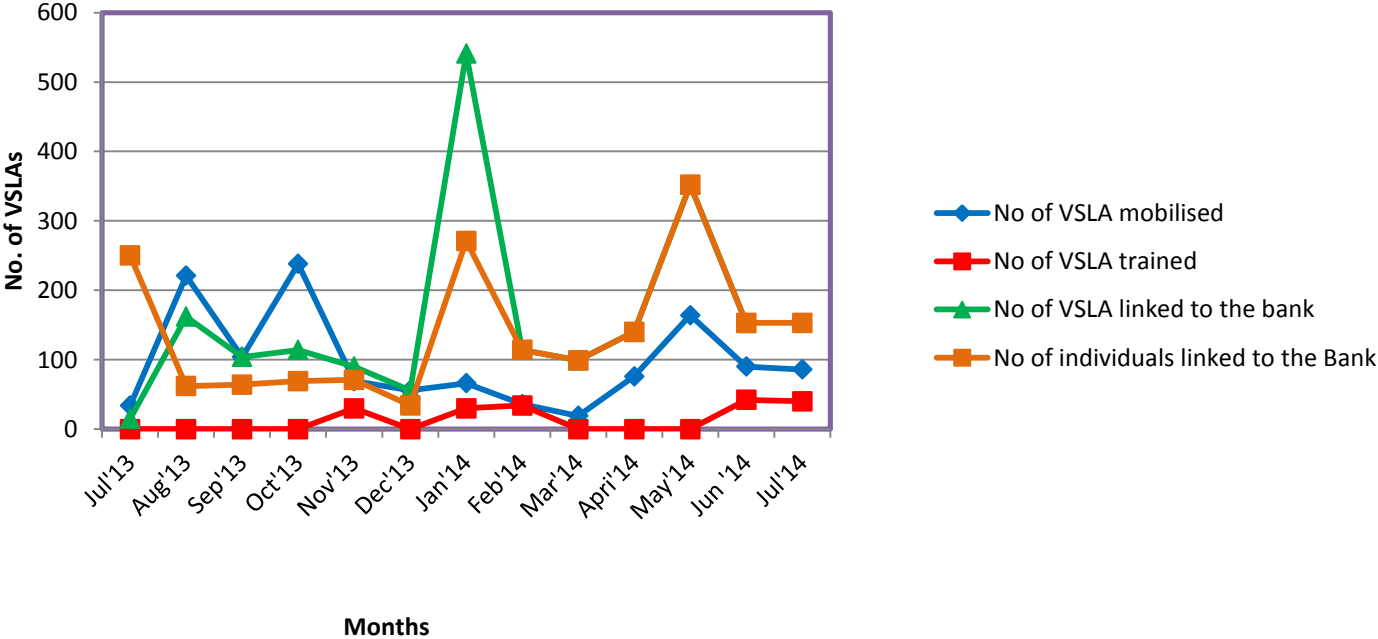
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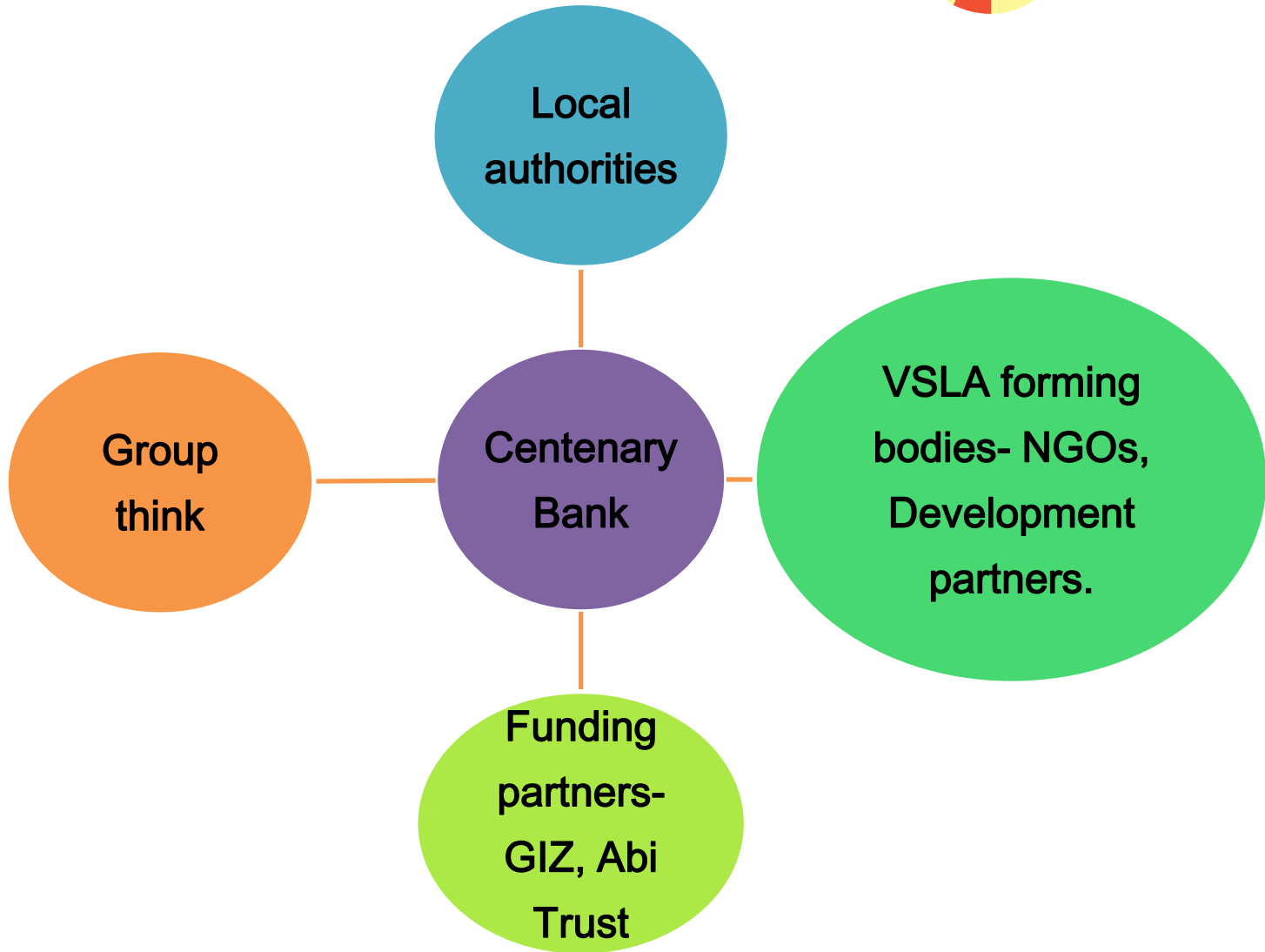
Performance progress



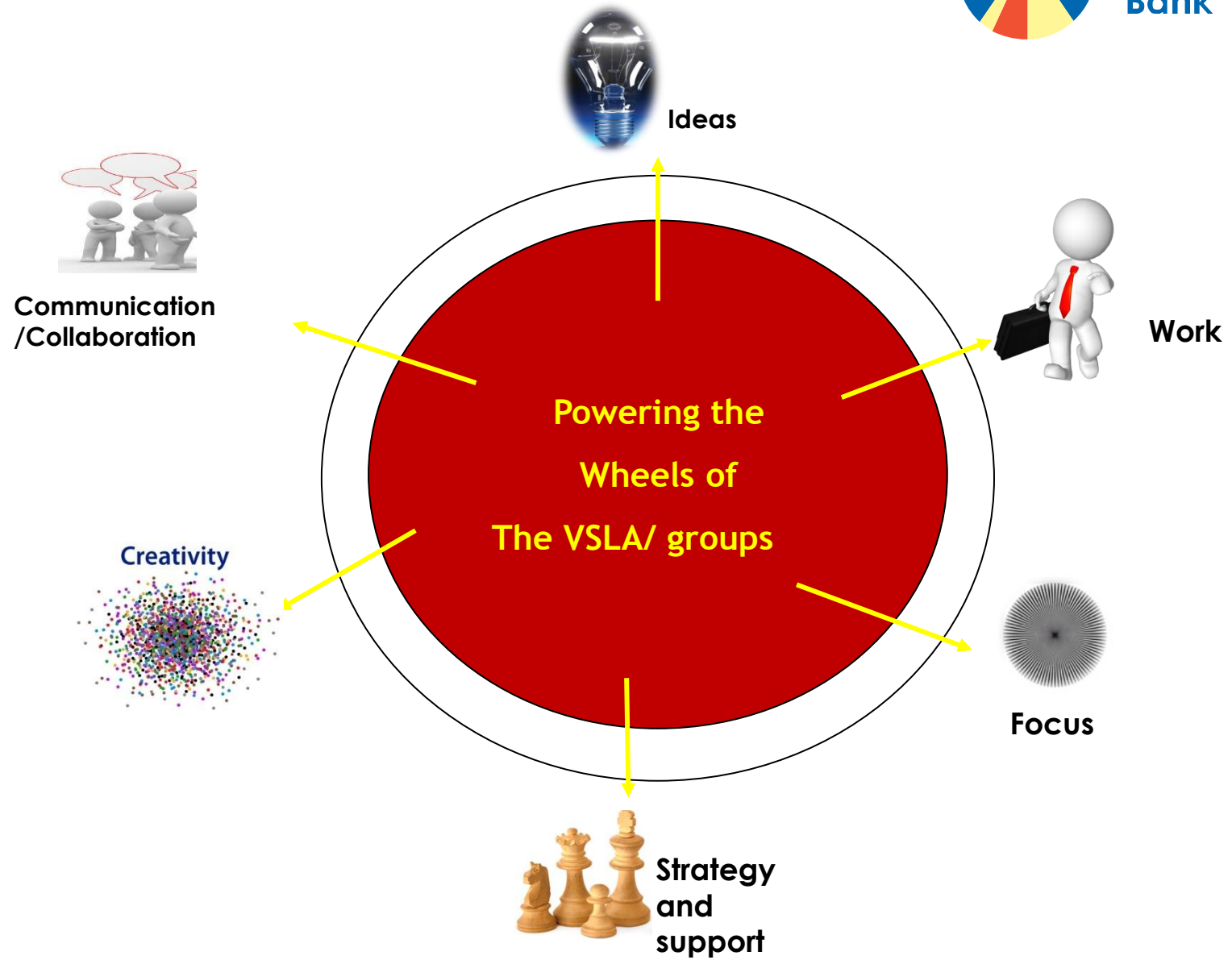
VSLA Trend Report



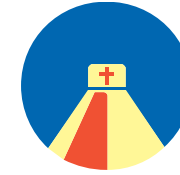
The Linkage Banking (VSLAs)



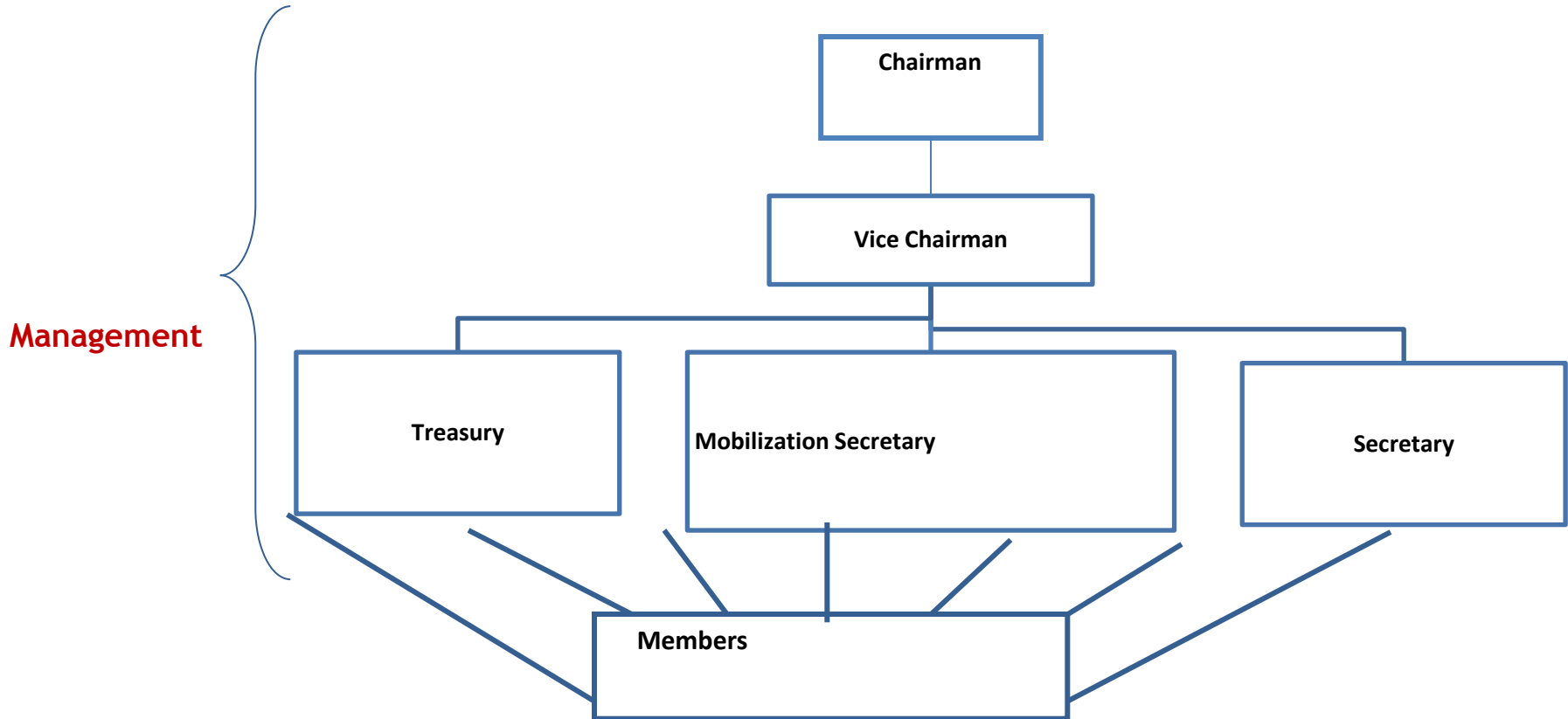
What are the benefits? THE VSLAs VALUE PROPOSITIONS

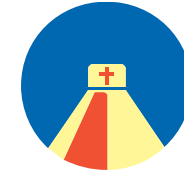


THE GROUP STRUCTURE

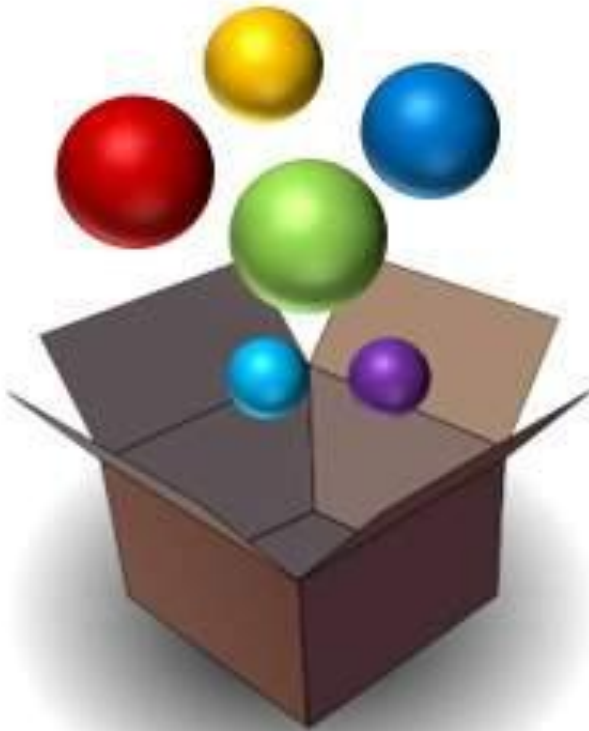


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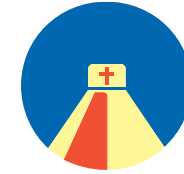




Why we succeeded in Karamoja?

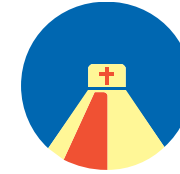


1. Affordable bank charges- VSLA & SACCO a/c
2. Support from GIZ Uganda
3. Commitment from Centenary Bank Staff
4. Support from NGOs- Care, Italia, ACIDI VOCA
5. Centenary Bank Brand
6. Being mindful of groups and SACCOs ringfencing their membership
7. Financial Literacy, mentorship and guidance



Solutions and Innovations

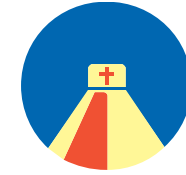
- Bank has promoted alternative channels to bring the services closer like Ezee money and Cente mobile
- Push and Pull
- Savings Box with MNOs
- Link Cards



Project partners

1. GIZ –Deutsche Geseuschafft fur internationale Zusammenarbeit
2. Goal
3. Mercy Corps
4. Samaritan Pause
5. ACIDI-VOCA
6. Districts – all the seven districts of Karamoja
7. Italia Solidale groups
8. Eriamiriam Civil Society
9. Caritas





Learning Points & Recommendations



1. Financial Literacy and mentorship critical.
2. Access solutions important for the success.
3. Good Leadership for groups and SACCOs.
4. Intergrity is key.
5. Banks- Very stable liabilities.
6. Price sensitivity (SACCOs, MFIs and groups)
7. The ring fencing of members was noted.
8. Access to cheaper credit facilities was desired by all (With no collateral)
9. Partnerships came in handy to support.
10. Interest payment on deposits was desired



Future Plans

1. Financial Literacy to continue.
2. To seek credit guarantees/ deposits.
3. Strategic partners. UDO, CRS
4. Approach more funding bodies- DFID, URCF, Abi Trust...
5. More alternative channels- Savings Box for MNOs, Link cards.
6. Multi wallet ATM cards.
7. Perfection of the tracking and monitoring of numbers.

Discussions And Questions?



