



UGAFODE

Microfinance Limited (MDI)

Quarterly Newsletter (January - March, 2022)



UGAFODE CEO Shafi Nambobi and JUMIA Chief Commercial Officer Paul Tesar signing the agreement at the launch of a partnership where UGAFODE committed to support its customers to open up shops on JUMIA, an e-commerce platform. The signing was witnessed by UGAFODE Head of Legal Christine Imong at the JUMIA offices in Kampala

UGAFODE supports clients to open shops on JUMIA

ON February 23, UGAFODE entered a partnership with JUMIA, an e-commerce platform, whereby UGAFODE committed to support its clients to open shops on JUMIA and start selling their goods online. Selling commodities online widens the market for the traders, thus increasing sales. In addition, UGAFODE committed to provide friendly financial services, in form of working capital loans to all traders on the JUMIA platform so as to support them to expand their business as they get exposed to

larger markets. Selling goods online benefits traders in that they have:

- 24-hour display of their merchandise and uninterrupted engagement with buyers
- Access to a larger market that supersedes geographical borders, thus increased sales
- Reduced overhead costs because traders would not need to rent big shops.
- There are no charges to sell online such as rent, and one would not incur the cost of shopping assistants.

From Chief Executive Officer

Dear Members, I greet you all and congratulate you upon completing the first quarter of the year 2022.



This is expected to be a year of recovery from the economic low that we experienced in 2020 and 2021 due to the COVID 19 pandemic.

Our performance in the first quarter has fallen below the target for several branches, for example, when it comes to savings, only five branches met or exceeded the target. These are Kagadi, SME, Lira, Ishaka and Bombo Road.

I encourage all of you to do your best to meet the following objectives:

- To grow savings deposits by 25% (from UGX 32.16Bn in 2021 to UGX 40.10Bn in 2022) with a ratio of 40:60 for retail and fixed deposits respectively and active savers by 25% (from 56,384 in 2021 to 70,586 in 2022) with 25% accessing services digitally in 2022.
- To grow the loan portfolio by 25% (from 56.70Bn in 2021 to 70.88Bn in 2022) with a PAR 30 days maintained below 5%, maintain a loan write off ratio below 2% and grow active loan clients by 30% (from 15,457 in 2021 to 20,137 in 2022).
- To grow non-credit income contribution to 13% of total income in 2022.

In March, we held a refresher training on product knowledge for several products, which is one of the means through which we expect to increase our productivity. On that note, I urge you all to do your best to move UGAFODE forward by educating yourselves about our products and services so that you can grow and retain our customers.

In addition, let us make it a habit to treat our customers with respect, maintain good relationships with them and serve them well as we position ourselves to be the preferred financial solutions provider for the happiness of our customers.

As management, we shall continue to support staff to achieve their highest potential and we are looking forward to increasing the salaries of staff who are performing beyond expectations.

Shafi Nambobi

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From HR department

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COMMUNICATION FROM THE HUMAN RESOURCE DEPARTMENT

Leadership corner How to motivate employees

THE FLOW AT WORK ENGAGEMENT MODEL

MOTIVATION of employees seems like it should be easy. And it is - in theory.

But while the concept of motivation may be straight forward, motivating employees is far more challenging. As leaders, we should understand what motivates each individual and manage them accordingly. What a challenging ask of leaders, particularly in a setting like a bank with dispersed teams - branch network - who are already overwhelmed by their own workloads.

Modern leaders are discouraged from relying on the carrot-vs-stick approach for motivation, where the carrot is a reward for compliance and the stick is a consequence for noncompliance.

Imagine when our sole task as leaders becomes just compliance (trying to compel others to do something), chances are we are the only ones who will be motivated and we kill out the spirit of innovation - one of UGAFODE's values.

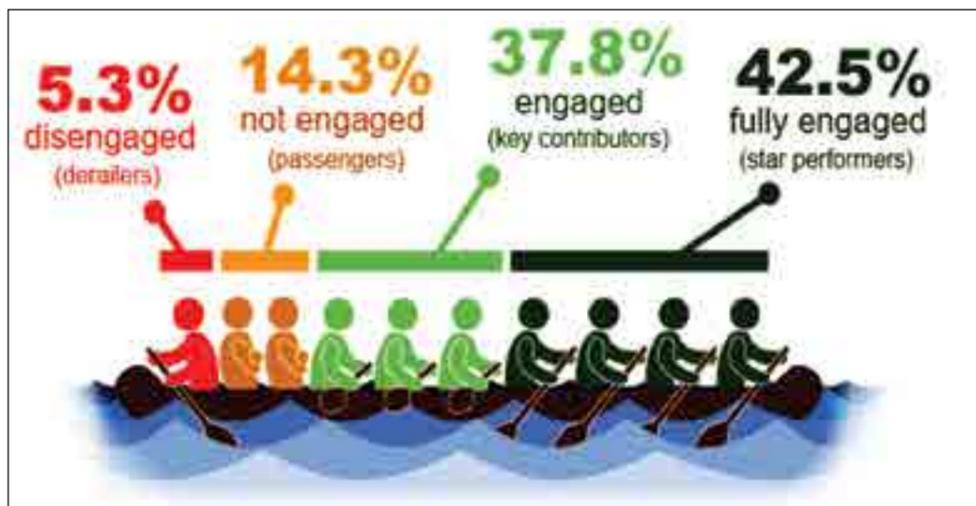
Therefore, we urge you to consider another approach to motivating employees: one that embraces the key concept that motivation is less about employees doing great work and more about employees feeling great about their work- 'the flow' - (Csikszentmihályi, 1990). The better employees feel about their work, the more motivated they remain over time.

With this approach, we can engage more in a new and meaningful dialogue about the work instead. Here is how:

● Share context and provide relevance

There is no stronger motivation for employees than understanding that their work matters and is relevant to someone or something other than the financial statement.

Therefore, motivating your employees should start by sharing the context about the



work you are asking them to do. Let them appreciate the following:

- What are we doing as an organisation? And as a team - our purpose, goal and objective - articulate the goal.
- Why are we doing it - value?
- What does success look like for the team and for each employee?
- What role does each employee play in delivering on that promise?

● Anticipate roadblocks to enable progress

Employees are motivated when they can make progress without unnecessary interruptions and undue burdens.

When you ask anything significant of the team, they will undoubtedly encounter roadblocks and challenges.

Recognise that challenges can impact motivation. And therefore, be proactive in identifying and addressing them. Think about:

- What might make an employee's work difficult or cumbersome?
- What roadblocks might surface?
- How can you knock them down?
- How can you remain engaged just enough to see trouble coming and pave way for success?

● Recognise contributions and show appreciation

As tempting as it is to try to influence employee satisfaction with the use of a carrot or stick, it is not necessary for sustained motivation. Far more powerful is a leader's commitment to recognising and acknowledging contributions so that employees feel appreciated and valued.

Employees are motivated when they feel recognised for their contributions. You should consider the following:

- What milestones have been achieved?
- What unexpected or exceptional results have been realised?
- Who has gone beyond the call of duty to help a colleague or meet a deadline?
- Who has provided great service or support to a customer in crisis?
- Who walked the talk on our values in a way that sets an example to others and warrants recognition?

● Check-in to assess your own motivation

What if you have done all the above but are still struggling to motivate others? You may need to assess your own motivation. Employees are attuned to whether leaders have genuine connection to the work. If you are not engaged and enthusiastic about the company, your team, or the work, it is unlikely that you will be a

great motivator of others. Employees feel motivated when their leaders are motivated. Ask yourself the following questions:

- What aspects of your role do you enjoy?
- What makes you proud to lead your team?
- What impact can you and your team have on others both inside and outside the organisation?
- How can you adapt your role to increase your energy and enthusiasm?

The bottom line is:

- Don't rely on outdated methods and tricks to motivate employees. Rely less on the carrots and sticks, but have meaningful conversations with employees.
- Talk with your team about the relevance of the work they do every day.
- Be proactive in identifying and addressing challenges for your employees.
- Recognise employee contributions in specific, meaningful ways regularly.
- Connect with your own motivation, and share it with your team. You'll be well on your way to leading a highly motivated team: living 'in flow' that is engaged, innovative and delivers great work.

This article was researched and written by the HR team as part of their drive to grow and improve leadership skills

Recognition of employees for outstanding support to debt recovery in January and February

DID you know that employees are entitled to a 10% commission on all debts collected. The commission

earned will be paid on a monthly basis via the payroll, effective March 2022. Relatedly, management recognises

the following employees for their effort in supporting debt recovery in January and February 2022.

STAFF NAME	BRANCH	TITLE
Glorious Atuhaire	Ishaka	Credit Supervisor
Lillian Hasahya	Jinja	Credit Officer
Aden Mbaziira	Lyantonde	Regional Manager- Western 2
Jacklyne Nansubuga	Mpigi	Credit Officer
Elizabeth Zemei	Mpigi	Credit Supervisor
Gilbert kitembo	Mpigi	Branch Manager
Ivan Musana	Mpigi	Credit Officer
Brian Singoma	Mpigi	Credit Officer
Julius Kyagera	Mpigi	Credit Officer
Patrick Teriyaitu	Rushere	Branch Manager
Tracy Tugumisirize	Rushere	Credit Officer
Abubaker Kibira	Rushere	Credit Supervisor
Denes Tayebwa	Rushere	Credit Officer
Samson kabwidi	Rushere	Credit Officer



STAR CREDIT OFFICERS

OCTAVE NYAKAIRUKA, Sembabule
PAR1: **4.285**, PAR>30: **1.873**, OnPar: **1**, No.A/Cs:**174**, Disbursed A/Cs: **18**

VERAH URAYENEZA, Ibanda
PAR1: **6.038**, PAR>30: **2.448**, OnPar: **0.5**, No.A/Cs:**120**, Disbursed A/Cs: **13**

WILLY NASASIRA, Nansana
PAR1: **7.512**, PAR>30: **2.344**, OnPar: **0.5**, No.A/Cs:**120**, Disbursed A/Cs: **17**

Employee development framework



THE largest and most significant piece of the 70, 20, 10 Rule is known as "On the Job Training." Simply put, the 70% is learning by doing and gaining knowledge through experience.

The 20% is employee development through mentoring, coaching and feedback. HR is focusing on building a high performance culture through mentorship. We have already identified mentors and mentees per

region per Branch. We are focusing on building staff capacity in Quarter Two of 2022.

HR encourages all of us to onboard on this program and will provide details in due course.

The 10% of Employee Development is about formal training. Many managers frown on sending employees for formal training or seminars as such activities are often seen as unproductive and unnecessary.

DID YOU KNOW?

THE HR Strategic Goal this Year 2022 is:

To Develop and Maintain a Motivated Performance Oriented Workforce in order to Attain and Deliver on Set Organizational Targets.

And the HR objectives are to:
1 Achieve 80% of staff scoring at least 3 in performance appraisals.

2 Have staff retention rate of 90% by end of year 2022.

3 Build a more gender inclusive institution that empowers and grows women leaders.

4 Automate HR processes to reduce to create efficiencies.

5 Review the HR policies and procedures manual in order to improve governance and compliance.

6 Make data-driven people decisions.



THE staff at UGAFODE Microfinance Limited (MDI) commemorated the International Women's Day on March 4 with events at different branches. During the event, a keynote address was given by Elizabeth Ballreich, the Principal Investment Officer at the Women's World Banking, UGAFODE's newest shareholder. Ms Ballreich's presentation focused on work-life balance and she made the following remarks:

Everyday, women are faced with several priorities which include professional career, family life and personal goals. Women should:

- Decide on the things they want to accomplish
- Decide what they need to do to achieve their goals

"Many people find it hard to accomplish work-life balance and there is a temptation to take everything on at ago. However, women need to prioritize on what to focus on at a time. Women can have it all, but just not all at the same time."



Ishaka team

Women's Day: Focus on work-life balance



The nominated women's champions pose for a photograph with the Executive Director Jonathan Mugalu and the Chief Executive Officer Shafi Nambobi. The women at UGAFODE are grateful for the continuous support they get from Shafi and Jonathan



Nakasero Branch's Annet Nazziwa was recognised for coaching and mentoring others



Executive Director Jonathan Mugalu reading out the winners



Head of Operations Christine Letasi was recognised for being supportive, empathetic and approachable



Lydia Origaruraho was recognised for coaching and mentoring others in addition to being supportive and giving timely solutions



Anne Sserwambala was appreciated for mentoring others, being a good listener and giving timely feedback



Mary Stella Oyat receiving an award. She was recognised for her humility and mentoring others

NOTICE BOARD

Embrace alternative delivery channels

Dear colleagues, We all know that data is important in the day-to-day running of our business. Know Your Customer (KYC) requirements, data protection and privacy is a crucial issue for regulators and for the success of the business. It is, therefore, our collective responsibility to ensure data integrity by collecting factual data, accurately capturing it in the system and ensuring that customer records are updated. The Operations Department is committed to ensuring operational efficiency, quality data and improving business processes through adequate internal controls to mitigate operational risks. The impact of COVID-19 has led to evolving digital innovations. We need to embrace and drive usage of our alternative delivery channels such as UGAFODE mobile, Mobile money, Agent Banking and money transfer services to grow our non-interest income.

Christine Letasi,
Head of Operations

Be vigilant about fraud

Dear Colleagues, The Information Communication Technology (ICT) environment has continued to evolve with many innovations, products, solutions and linkages. Think of it and the IT world will deliver. When it comes to the banking sector, innovations in ICT and the wide use of the Internet have exponentially increased the speed of execution of transactions, ensured provision of services round the clock and service provision beyond geographical boundaries. However, the utilization of ICT has also exposed banking institutions, UGAFODE included, to more fraud. This is due to the fact that with ICT, chances of identity theft are increased because transactions are online and in real time.

Therefore, I urge all of us to take

the necessary measures to prevent fraud. Please ensure the following:

- Don't share any information relating to customer accounts with anyone
- Shut down your computers after use and lock your computers when taking a break
- Do not share your password with anyone
- Ensure that your password is strong enough so that it cannot be easily guessed. A strong password should contain letters, numbers and signs
- Dispose of receipts, withdraw and deposit slips in the right way. Do not leave them in the banking halls where anyone can access them.

Jonathan Mugalu
Executive Director

Health is wealth: Fight lifestyle diseases

In February, we had a health talk about lifestyle diseases and nutrition, facilitated by AAR and below are the key messages:

- Lifestyle diseases are those associated with the way a person lives/their day-to-day habits. The choices made everyday form a basis for such diseases.
- These include obesity, Type 2 diabetes, hypertension (high blood pressure), hyperlipidemia (high levels of fat in blood)
- Factors that contribute to such diseases include poor diet choices, physical inactivity, excessive alcohol usage and smoking.
- Diet is the greatest

modifiable risk factor for lifestyle disease.

- Reduce salt and sugar
- Eat more fruits and vegetables
- Reduce alcohol
- Stop smoking
- Reduce fats
- Increase physical activity
- Have at least 30 minutes everyday of physical activity.
- Go for regular medical checkups. Tests should include blood pressure, blood glucose and lipid profile
- Find out about your weight and get to know the ideal weight for your height and work towards achieving it.
- Drink at least two litres of water a day. Reduce sweetened soft drinks and fruit juices.

Follow our social media pages, like and share the content

Dear Ladies and Gentlemen, You are all encouraged to follow our social media pages to like and widely share the content posted there with your networks. This will help to increase visibility for our brand.

Lillian Namusoke Magezi
Comms & Marketing Manager

The next newsletter will come out at the end of June. Send your communication to hr@ugafode.co.ug



UGAFODE at Harvest Money Expo

UGAFODE showcased at the Harvest Money Expo at Kololo Airstrip between March 18 and 20, 2022.

The key products that caught people's attention were the Agriculture Loan and the Asset Financing Loan. With these loan products, UGAFODE supports farmers to grow their agricultural enterprises. Farmers can borrow money for cattle fattening, acquisition of assets such as agromachinery like tractors, equipment like feeding troughs, water facilities such as construction of valley dams and acquisition of solar water pumps, in addition to the purchase of vehicles for transporting produce.

At the expo, four ordinary savings accounts and two target accounts were opened.

Several pipelines were generated of customers seeking Asset Financing loans, Water & Sanitation loans, in addition to business loans.

We Listen We Care

UGAFODE Microfinance Limited-MDI @UgafodeMDI ugafode_mdi UGAFODE Microfinance MDI

Head Office: Plot 62 Silva Arcade Building Bombo Rd

Toll-free line: 0800223900, Tel: +256 414 257181 +256753119107

E-mail: admin@ugafode.co.ug, Web: www.ugafode.co.ug

BRANCHES: Bombo Road, Nakasero, Mpigi, Kyotera, Lira, Jinja, Nansana, Lyantonde, Mbarara, Ibanda, Ishaka, Rushere, Mbale, Rukungiri, Ntungamo, Rubaga, Kagadi, Sembabule, Nakivale