



Annual Report 2022



Pride Microfinance is Regulated and Supervised by Bank of Uganda
Customer Deposits are Protected by the Deposit Protection Fund upto
10 Million Shillings. T & Cs apply

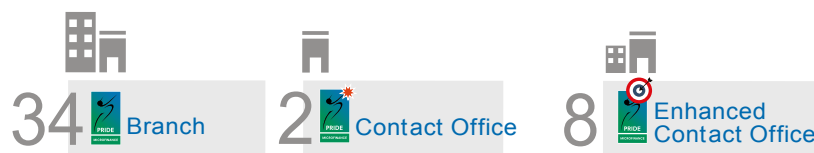
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The Pride Network



Rwanda





General Information

Principal Place Of Business

Victoria Office Park, Block B,
Plot 6-9, Ben Kiwanuka Okot close,
Bukoto
P. O. Box 7566 Kampala.

Registered Office:

Victoria Office Park, Block B,
Plot 6-9, Ben Kiwanuka Okot close,
Bukoto
P. O. Box 7566 Kampala.

Company Secretary:

Ms Claire .S. Ekochu
P.O Box 7566 Kampala

Solicitors:

S & L
Advocates and Legal Consultants
S & L Chambers, Plot 14 Mackinon Road.
P. O. Box 2255 Kampala.

Auditor General:

Office of the Auditor General
Apollo Kaggwa Road,
P.O. Box 7083, Kampala

Corporate Profile:



About Pride

Pride Microfinance Ltd (MDI) (Pride) is a Microfinance Deposit-taking Institution (MDI) regulated and supervised by Bank of Uganda (BoU) under the MDI Act, 2003 and MDI Regulations, 2004. From inception, Pride has grown to become the leading MDI in Uganda, providing innovative financial solutions to mainly the economically active Ugandans at the base of the pyramid. Pride serves its customers through 34 networked branches spread across the country and 10 contact offices.

Our Vision

To be the preferred provider of inclusive customer centric financial solutions.'

Our Mission

Empowering communities through convenient banking.

Our Core Values

Pride's core values are as follows;

- **B**est Customer Experience
- **E**fficiency and effectiveness
- **F**airness
- **I**ntegrity and Accountability
- **T**eamwork

Pride's Value Proposition

Pride's proposition to the market shall revolve around three key unique selling points. These are;

- Fast turnaround time
- Ease of use
- Excellent customer service

Excellent Customer care is summarized with the Acronym PLEASE;

- **P**ay attention
- **L**isten
- **E**mpathy
- **A**sk
- **S**erve
- **E**xecute

Ownership

Pride is wholly owned by the Government of Uganda

Managing Director's Foreword

I take this opportunity to share with you the highlights of Pride's performance in 2022. I appreciate all stakeholders for their efforts that enabled Pride to remain a going concern.

The Ugandan economy continued to rebound, from the negative effects of Covid-19. This was however constrained by the adverse effects of the Russia-Ukraine war, which elevated commodity prices and inflated the cost of living.

Amidst this volatile period, Pride navigated the currents to post growth in many of its metrics. Our loan book expanded by 15.8% in 2022 from Ugx 182.2B in 2021 to 210.9B. Our customer deposits too grew by 21% in 2022, from 154.8B in 2021 to 187.8B. Pride also remained profitable, delivering pre-tax profits of Ugx 11.56B, despite the challenges faced by most of its customers, leading to enormous write-offs.



**Veronica Gladys
Namagembe**

Managing Director

A green rectangular box containing a white handwritten signature that reads "Veronica Gladys Namagembe".

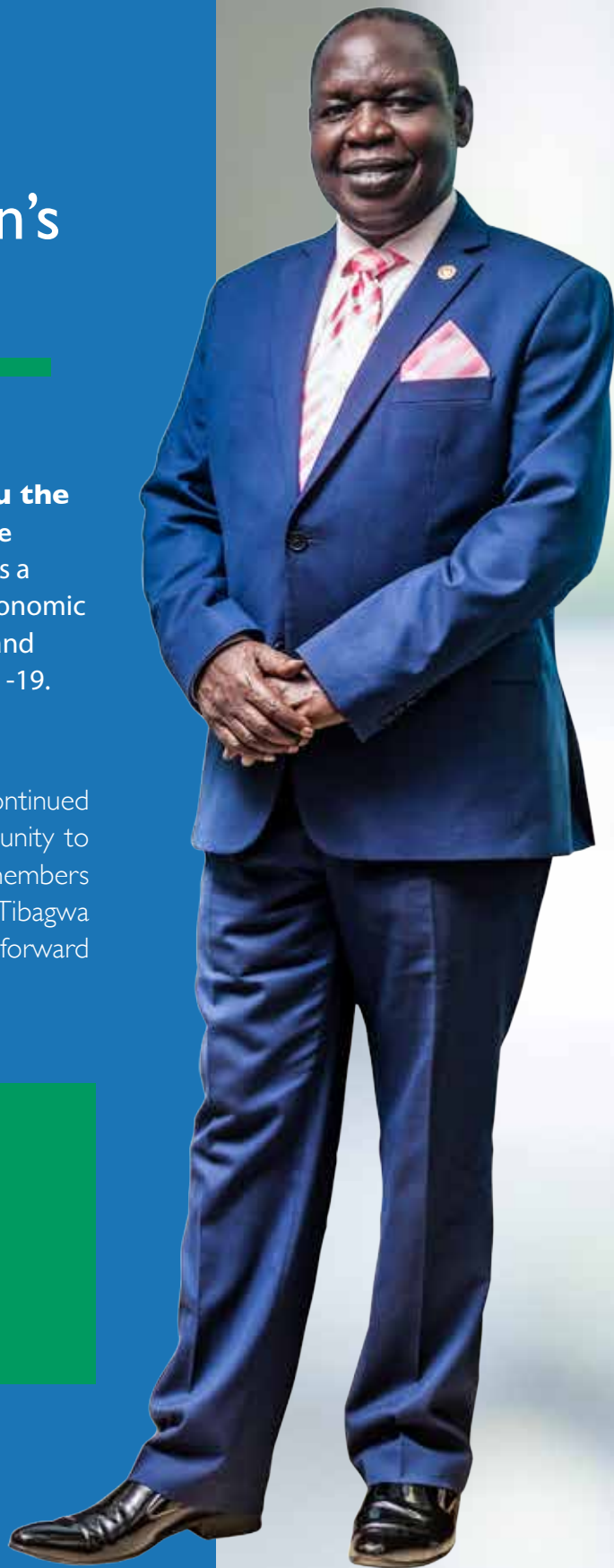
Veronica Gladys Namagembe
Managing Director

Board Chairman's Statement

It is my pleasure to bring you the Annual Report, on behalf of the Board and Management. 2022 was a particularly challenging year, as economic activities continued to normalize, and transition from the effects of Covid -19.

Am grateful to the Board, that has continued to steer with me. I take this opportunity to welcome the 2 additional Board members that joined us in 2022: Ms Peninnah Tibagwa Kasule and Mr Joshua Atwine. I look forward to working with you.

Hon. Fred Jachan
Omach Mandir
Board Chairman



Economic Trends

The Ugandan economy grew by 4.6%*, showing strong signs of rebounding, from the negative effects of Covid-19. This was faster than the anticipated rate, due to pick-up of activities after fully re-opening the economy. This growth has been driven by services and industry on the supply side, as well as private investment and consumption, headed to pre-Covid levels, on the demand side.

Pride remained resilient, delivering value to the stakeholders, despite the challenging business environment. Pride generated an after tax profit of Ugx 7.3B, alongside other positive indicators as highlighted in the Financials Section of this Report.

Risk Management and Control

Identifying and managing risks at different levels of the Organization is a fundamental part of our business. Risk management is embedded in all levels of the institution and is part of strategic planning, to give us a sustainable competitive edge.

Through the risk governance framework, the Board and Executive Management Committee are able to establish the appropriate guides such that activities that generate risks are performed with the right mind-set and within the risk appetite that is aligned to the broader strategic objectives.

The Board has ultimate responsibility for the institution's risk organization, and making sure that adequate controls are in place. The Board of Directors works through various oversight committees that ensure that Excom executes strategy in a manner that optimizes the Risk-Reward trade off.

2023 Outlook

Economic growth is projected in the 5-5.3%* range, driven by increased investments in the oil sector; a rebound in agricultural production owing to good weather; the government's interventions, and a rebound in industrial activity.

The Parish Development Model, launched in February 2022 will get many Ugandans into the money economy, and thus improve household incomes as well as develop micro-enterprises across the country.

Pride will continue to harness all opportunities at its disposal, to deliver value to all stakeholders. We will continue to deliver market led products to our customers, skill our staff to meet the ever-changing customer needs, and invest in profitable segments that will deliver attractive returns to the shareholder.

*BOU State of the economy report, 2022

Conclusion

I would like to sincerely thank our customers for choosing Pride. Your feedback and association have enabled us hone our value proposition in the market, and positioned us better, to serve you.

I would also like to extend my deep thanks to the management team and staff, for their hard work and sacrifices that enabled us finish the year strongly and positively.

Finally, my appreciation goes to the Government of Uganda, Ministry of Finance, Bank of Uganda and other external partners for supporting and guiding us along the way. We have strengthened our systems and processes and thus improved our position in the market, because of you.

Your Growth is our Pride

For God and My country.



Hon. Fred Jachan Omach Mandir
Board Chairman

Board Of Directors



Moses Ogwapus

Director



Hon. Fred Jachan Omach
Mandir

Board Chairman



Immaculate Birungi

Director



Harriet Kiwanuka

Director



Joshua Atwine

Director



Paul Banadda Kiyingi

Director



Peninnah Tibagwa Kasule

Director



Veronicah G. Namagembe

Managing Director



Edward Nkangi

Executive Director

Executive Committee Of Management



Veronichah G. Namagembe
Managing Director



Edward Nkangi
Executive Director



Deo Katezi
Head of Business
Development & Marketing.



Claire Samula Ekochu
Company Secretary /Head of Legal



Sulaiman Katende
Head of Treasury



Rehema N.S Mutazindwa
Head of Human Capital Management



Apollo Taremwa
Head of Credit Business



Irene Mwoyogwona
Head of Finance



Bob Paul Lusembo
Head of Savings & E-Banking



Amos Akampurira
Head of Compliance



Robert Maganda
Head Administration
and Procurement



Edward Mutyaba
Head Risk Management

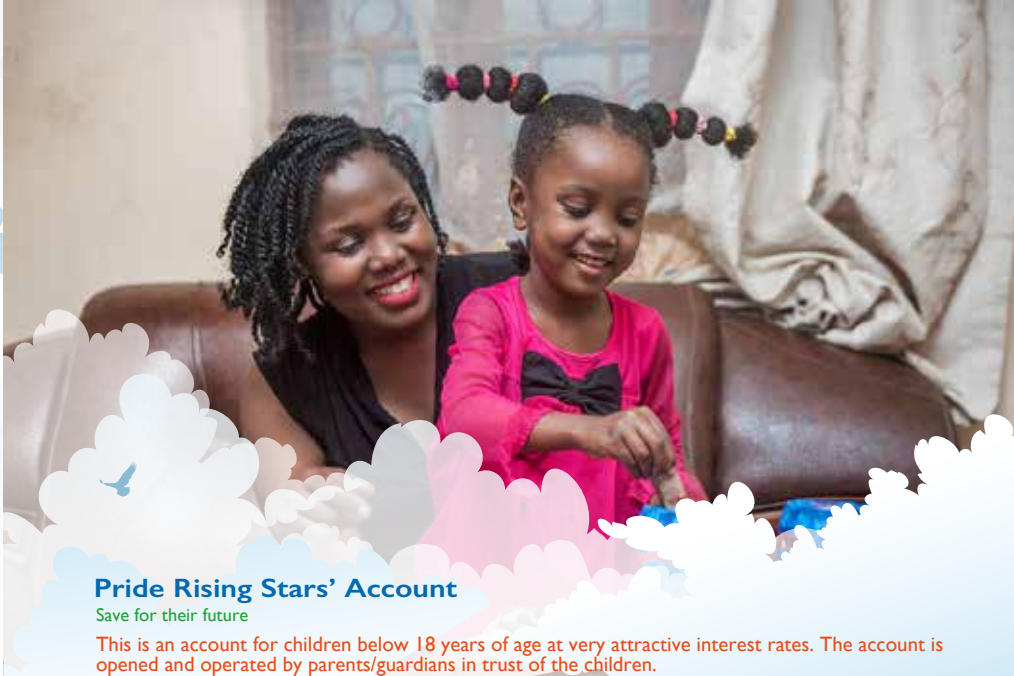


Vincent Kiyangi Musoke
Head of ICT



Dan Ivan Nambwira
Head of Internal Audit

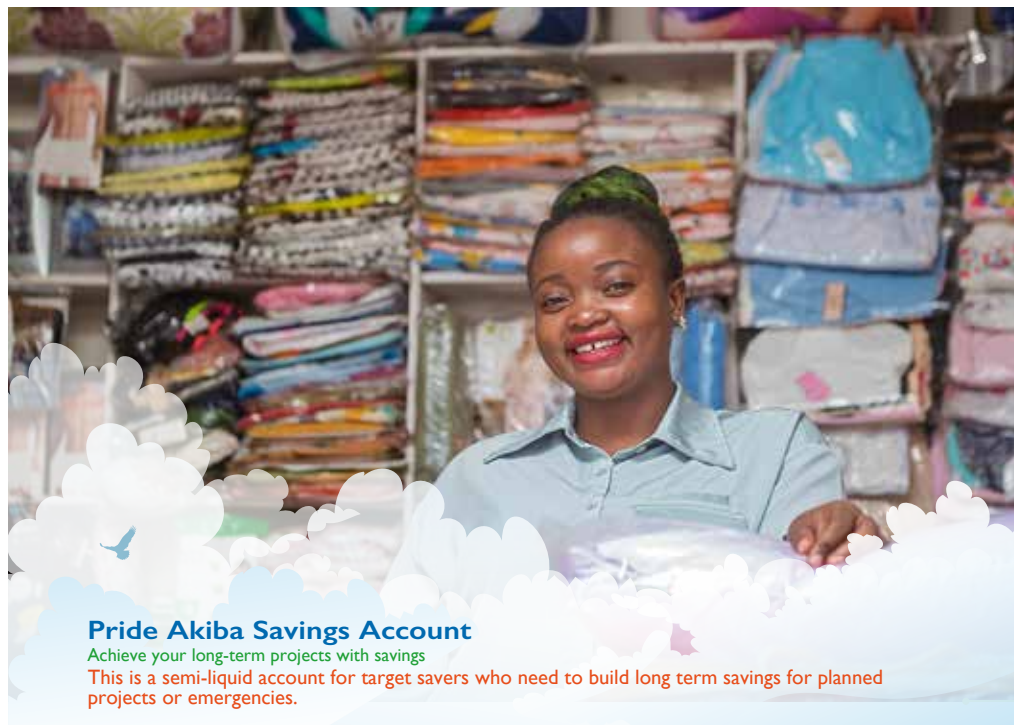
Pride Products and Services



Pride Rising Stars' Account

Save for their future

This is an account for children below 18 years of age at very attractive interest rates. The account is opened and operated by parents/guardians in trust of the children.



Pride Akiba Savings Account

Achieve your long-term projects with savings

This is a semi-liquid account for target savers who need to build long term savings for planned projects or emergencies.



Save As You Earn Account

Save with a vision

This is an account designed to suit the needs of clients who are target savers for a specific period of time.



Fixed Deposit Account

Invest for the future

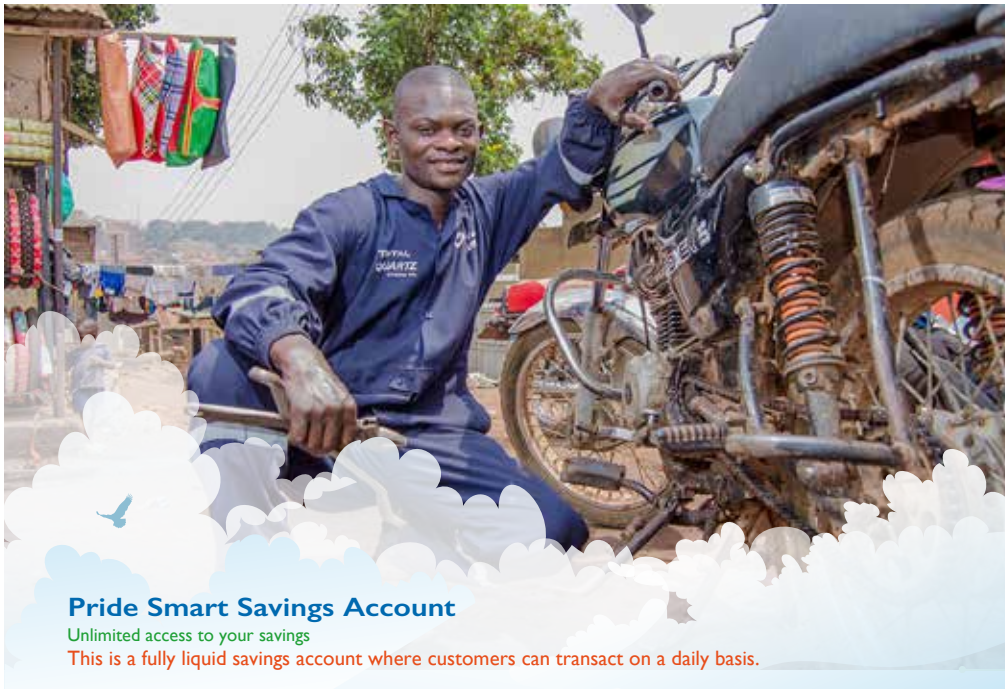
This is an account where customers' deposits are fixed at competitive interest rates for an agreed period of time.



Save For A Target

Achieve your dreams with ease

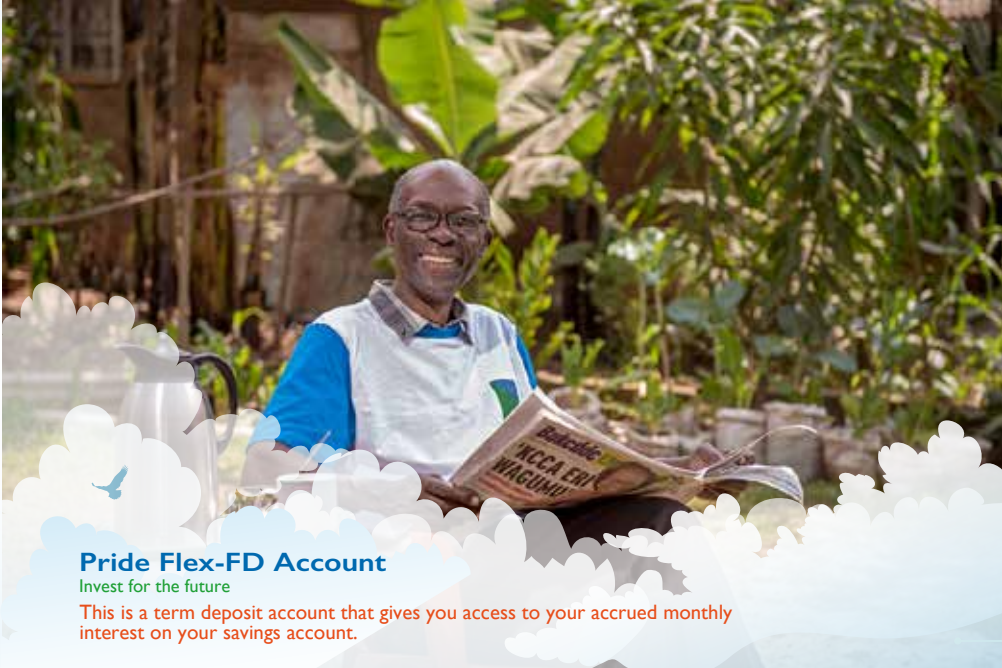
This is a savings account where customers can save for the things they desire conveniently using Pride Mobile.



Pride Smart Savings Account

Unlimited access to your savings

This is a fully liquid savings account where customers can transact on a daily basis.



Pride Flex-FD Account

Invest for the future

This is a term deposit account that gives you access to your accrued monthly interest on your savings account.

Loans Products



Pride Business Loan (PBL)

Curve your way to growth with Pride

This loan offers a fast and secure means of boosting an individual's income and capital.



Group Guaranteed Loan Scheme (GGLS)

Grow Together

This loan product is designed for those clients that come together, are trained, guarantee each other, to be able to access credit facilities as individuals.



Mortgage /Asset Financing Loan (MAFL)

Get assets now, pay in manageable amounts

This loan gives a customer access to the asset without paying for it all at once. Pride finances both income generating and non income generating assets.



School Fees Loan

Achieve your educational dreams

This loan enables a parent or guardian or student to access funds to pay school fees at once and pay later in manageable installments.



Pride Agricultural Loan

Access finance for agricultural activities

This loan targets clients in rural or semi-urban areas engaged in primary agricultural production.



Community Banking

We come to you

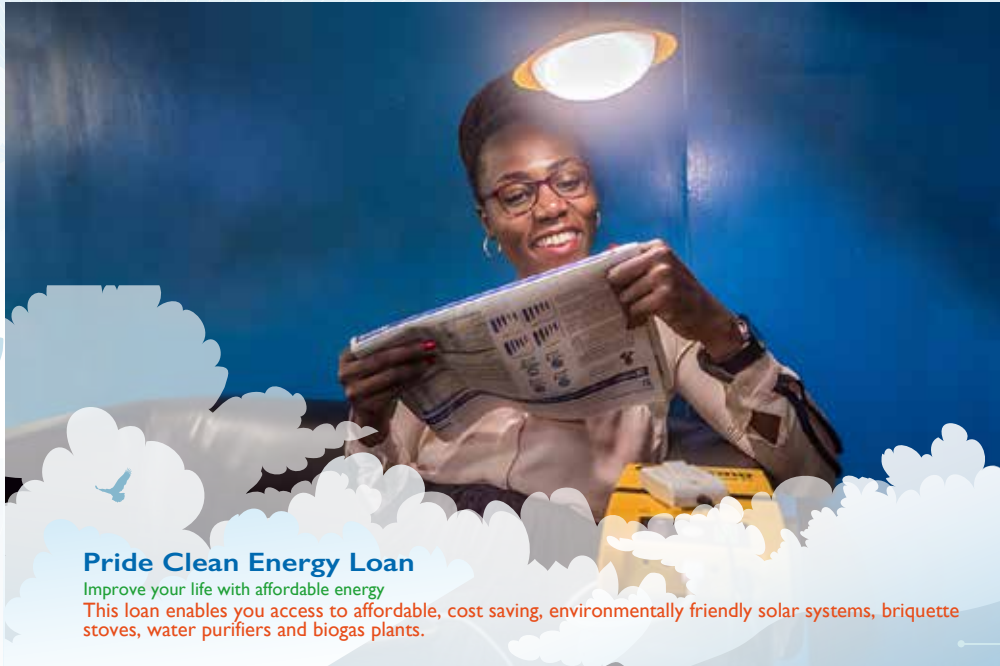
This is a loans and savings product that serves clients that come together in their communities. They are trained and guarantee each other to access financial services in their communities without visiting a Pride branch.



Pride Housing Loan

Access fast and secure financing for all your construction needs

This loan offers clients access to finance for their housing construction needs and housing support services to better inform their financial decisions.



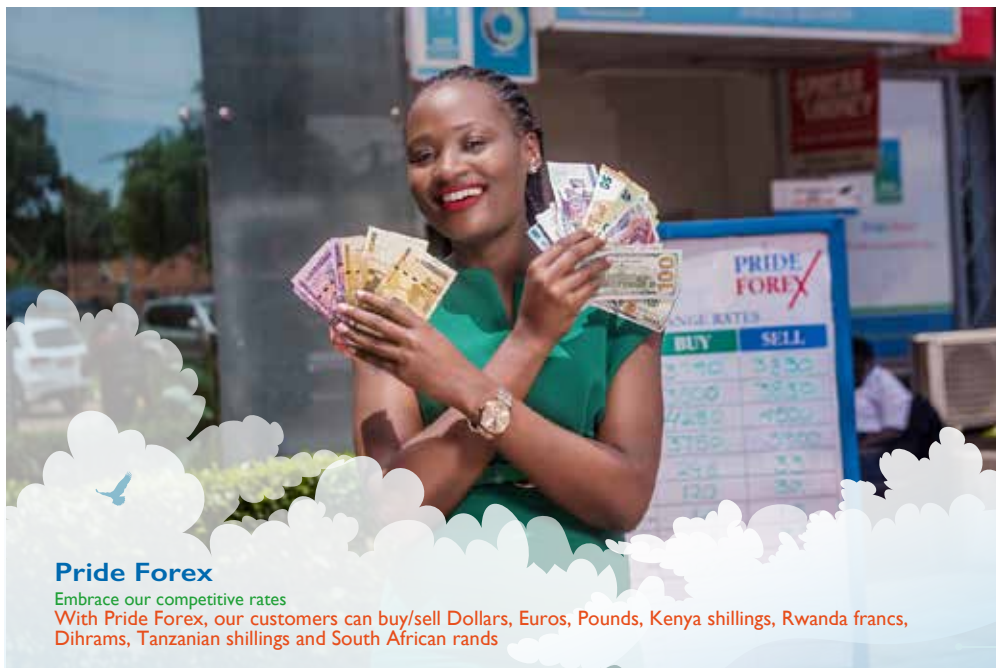
Pride Clean Energy Loan

Improve your life with affordable energy

This loan enables you access to affordable, cost saving, environmentally friendly solar systems, briquette stoves, water purifiers and biogas plants.

Other Services:

I.Pride Forex

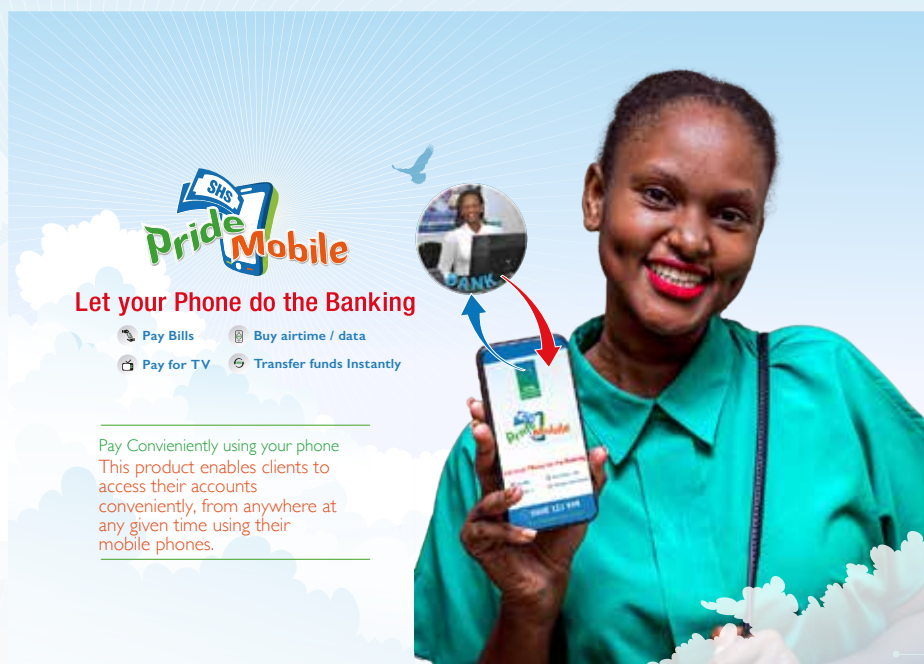


Pride Forex

Embrace our competitive rates

With Pride Forex, our customers can buy/sell Dollars, Euros, Pounds, Kenya shillings, Rwanda francs, Dihrans, Tanzanian shillings and South African rands

2. Pride Mobile Phone Banking



Pride Mobile

Let your Phone do the Banking

- Pay Bills
- Buy airtime / data
- Pay for TV
- Transfer funds Instantly

Pay Conveniently using your phone
This product enables clients to access their accounts conveniently, from anywhere at any given time using their mobile phones.

3. ATM services

Pride currently boasts of 20 ATMs located in the following branches: Entebbe road, Katwe, Kabalagala, Nakawa, Wandegaya, Nateete, City Centre, Bukoto, Nakulabye, Kawempe, Mukono, Mbarara, Jinja, Gulu, Mbale, Fortportal, Masaka, Iganga, Lira and Kawbohe. This is aimed at enhancing convenience to our customers as they can access their accounts 24hrs a day.

4. Instant Money Transfers

These are fast, reliable and convenient world-wide money transfer services:

- Western Union money transfer.
- MoneyGram.
- Mobile Money transfer services.
- World Remit Money transfers
- Real Time Gross settlement (RTGS) and Electronic Funds Transfer (EFT).
- Transfast
- UnionPay
- Ria Money

5. Payway services

You can now access Payway services at Pride branches to buy airtime and pay for utilities (electricity and water) and PayTV (DSTV, GOTV and Startimes).

6. URA E-Collections

Customers can now pay all their taxes, passport fees, driving permit fees, motor vehicle registration, business registration, income tax, Value Added Tax, stamp duty, import/ export duty, local excise duty, police penalties, gaming tax registration, oil and gas at any of our branches country wide.

7. Agency Banking (DTB Agent services)

Customers of any of these banks; Diamond Trust Bank (DTB), ABSA, Centenary, Finance Trust Bank, KCB, UBA, Bank of Africa, Opportunity Bank, Orient Bank, DFCU, Exim, Housing Finance, NCBA, Post Bank, Standard Chartered, Tropical Bank and Stanbic Bank can now deposit/ withdraw from their accounts with either a Card or Card-less at any Pride Branch.

8. School Pay

Pride partnered with School Pay to make it easy for all parents whose schools have accounts with Pride to make all their school fees payments through mobile money without the parents queuing up in the banking halls and at their own convenience.

The school that signs up with Pride Microfinance is able to set up and use the service at no cost. Only parents whose schools have accounts with Pride are in position to enjoy this service.



Our Pride Stars

The following are only a scoop of Pride staff that excelled in their roles by going the extra mile, staying committed and diligent in their tasks thought the year 2022. For their outstanding performance, we recognize and appreciate them.



Kakuru Amos Mugenyi (HRO)
Head Office.



Baganzi Henry (CO-ILS)
Mukono- Central I



Dhaafa Charles (CCE)
Kabalagala Branch- Central 3



Ainomugishha Nixon (CLO)
Mukono Branch- Eastern



Ahimbisibwe Athen (Cashier)
Nakulabye Branch – Central 4



Tumusiime Andrew (CO-CB)
Ibanda ECO- Western I



Kobusingye Doreen (CCE)
Fortportal- Western 2



Okuk Amos (CO-GGLS)
Lira Branch- Northern



Mwesiga Bruce (CLO)
Hoima Branch- Central 2

We congratulate our Pride stars and urge them to keep up the good work and keep shining in 2023.

Events

SSCI launch



Stakeholders pose for a photo at the SSCI launch



Stakeholders pose for a photo at the SSCI launch



Ms. Veronicah.G. Namagembe addressing the guests at the SSCI launch at Serena Hotel

Events

Youth Inclusion Program Launch-2022



The Guest of Honor, Mr. Peace Taremwa (5th right), the Board Chairman of Pride Microfinance Ltd., Hon. Fred Jachan Omach Mandir (4th right), and the Managing Director of Pride Microfinance Ltd., Ms. Veronicah.G. Namagembe (3rd right), together with other stakeholders, pose for a photo during the Youth Inclusion Program Launch.



Mr. Peace Taremwa, the Roatry District Governor (center), launching the Youth Inclusion Program as the Managing Director, Ms. Veronicah. G. Namagembe (left), Board Directors, Mr. Paul Kiyingi(2nd left), and Ms. Harriet Kiwanuka(3rd left) look on.



Mr. Mondo Kyateeka, the Assistant Commissioner for Youth Affairs at the Ministry of Gender, Labour, and Social Development, addresses the guests.

Customer Testimonies



We continuously engage our customers to track their progress. This enables us to tailor our products to address their challenges. This section details testimonies from selected clients across the country.



TONY SSAKU – City Centre Branch

My name is Tonny Ssaku, 38 years old and a resident of Buloba, Wakiso district. I'm married with 5 children.

I operate an Automotive Paints business with support from my wife. The business is located along Mwanga 2 Road, Kasaato C zone in Kisenyi II Parish, Rubaga Division. The business has a branch located in Nalukolongo, Nateete Parish, Rubaga division, operated by my wife. We supply automotive paint in the major parts of Uganda, Congo, Rwanda and South Sudan and our customers are mostly garages and welding workshops.

In 2009, a friend (Mr John Mbaguta) introduced me to Pride Microfinance. I took my first loan of Ugx 5m in the same year. I have subsequently progressed, and I am now servicing my 17th loan of Ugx 1b, repayable in 24 months.

Pride's loans have helped me to boost my business. I have expanded my line of products to include different paints and thinners and expanding my logistics network to have a footprint in the different countries.

I commend Pride for its quick turnaround time, and good customer service. With their support, I have been able to turn a ugx 20m business into Ugx 2b.

“

With their support, I have been able to turn a ugx 20m business into Ugx 2b.

”

Customer Testimonies



MWONDHA JOHN PATRICK – LUGAZI BRANCH

My name is John Patrick Mwendha, 49 years old and a resident of Nkoko, Kiwulwa ward, Lugazi Municipality, Buikwe district. I'm married with 10 children: 7 girls and 3 boys.

I got to know about Pride through my wife who was already a group customer. She convinced me to join Pride, in one of the groups where I obtained my first loan of Ugx 300,000. At the time, I was making and selling packaged flavoured water, so I added working capital to the business.

I later accessed a second loan of Ugx 2m. I used this money to purchase a used car, to help me transport my packaged water to different markets, school canteens and shops around Lugazi Town. For my next loan of Ugx 3m, I obtained a second car to grow my distribution network.

For the subsequent loans, I diversified into general merchandise and electronics. I opened a retail shop and an electronics outlet. I also bought a plot of land (50by100ft) in Nkoko at Ugx 10m.

I am currently servicing a loan of Ugx 20 million which I used to boost my electronics and merchandise businesses. With Pride loans, I have been able to start and grow the electronics and merchandise businesses to a net worth of more than Ugx 100 million and built four rental double rooms that earn me between Ugx 750,000- 800,000 shillings monthly.

I choose Pride anytime, over any other institution because it understands the common man. They process my loans on time and reward me from time to time for being a good customer. I haven't banked with any other institution except Pride.

“ I choose Pride anytime, over any other institution because it understands the common man.

”

Customer Testimonies



KISUBI GONZAGA- JINJA BRANCH

My name is Gonzaga Kisubi, aged 42 and a resident of Naminya, Wakisi, Buyikwe District. I am married with 7 children, all school going.

I am a business man operating a bar and Lodge called "Facebook Bar and Lodge located in Kiira zone, Naminya parish, Buikwe district. At the moment, I have 12 self-contained rooms, each earning Ugx 35,000 per night.

In 2015, I joined Pride through a friend and got a business loan worth Ushs.10 million which I used to renovate some of the rooms in the lodge. With the proceeds from the lodge and bar business, I was able to start a real estate business, where I buy and sell plots and houses in and around Buyikwe and sell them for a profit.

My second loan of Ugx 15m from Pride helped me add capital to this business, and also venture in the transport business. With part of that money, I also introduced lottery/betting machines at the Bar to enhance income lines. All subsequent loans

went into growing these businesses including the running loan of Ugx 200m.

I have taken numerous school fees loans, to help me pay fees for my children in a timely manner. With Pride's loans, I have been able to construct a residential house for my family on an acre piece of land, and purchased two cars: one for business and the other for my personal use.

I advise all customers to always use the borrowed money for its intended purpose, so that they are able to pay back in time and build the confidence to get more loans.

“With Pride's loans, I have been able to construct a residential house for my family on an acre piece of land, and purchased two cars: one for business and the other for my personal use.”

Customer Testimonies



JUDITH BAJJAMPOLA NALONGO- LUGAZI BRANCH

My name is Judith Bajjampola Nalongo, 63 years old and a resident of Namengo- Lugazi Municipality. I am a mother of six children, with two sets of twins. The oldest twins are 38 years old while the youngest are 32.

I operate a wholesale cosmetics shop in Lugazi Town. I operate it with the help of 2 full time employees and my last set of twins.

In 2010, a friend (Ms Ntale) recommended me to Pride. I had just sold my chicken stock and started a cosmetics shop, when she advised me to join Pride to get more working capital. I got a group loan of Ugx 1m and bought more stock. I was impressed at how they didn't ask me for land or a car logbook as collateral.

For the subsequent loans, I was able to do some personal development. I bought a plot of land in Kiteza and two others in Namengo. I also constructed my residential house and purchased a car (Toyota Alphard) for personal use.

I have been able to educate my children all the way to university level, thanks to Pride's school fees loans. I am currently servicing a loan of Ugx 55m, which was used to boost working capital for my cosmetics business. I am a dominant distributor of Movit products in Lugazi because of my ability to access working capital using Pride's loans.

My loan officers are nice to me and I am able to access loans on time. I encourage others to try out Pride's loans.

“

I have been able to educate my children all the way to university level, thanks to Pride's school fees loans.

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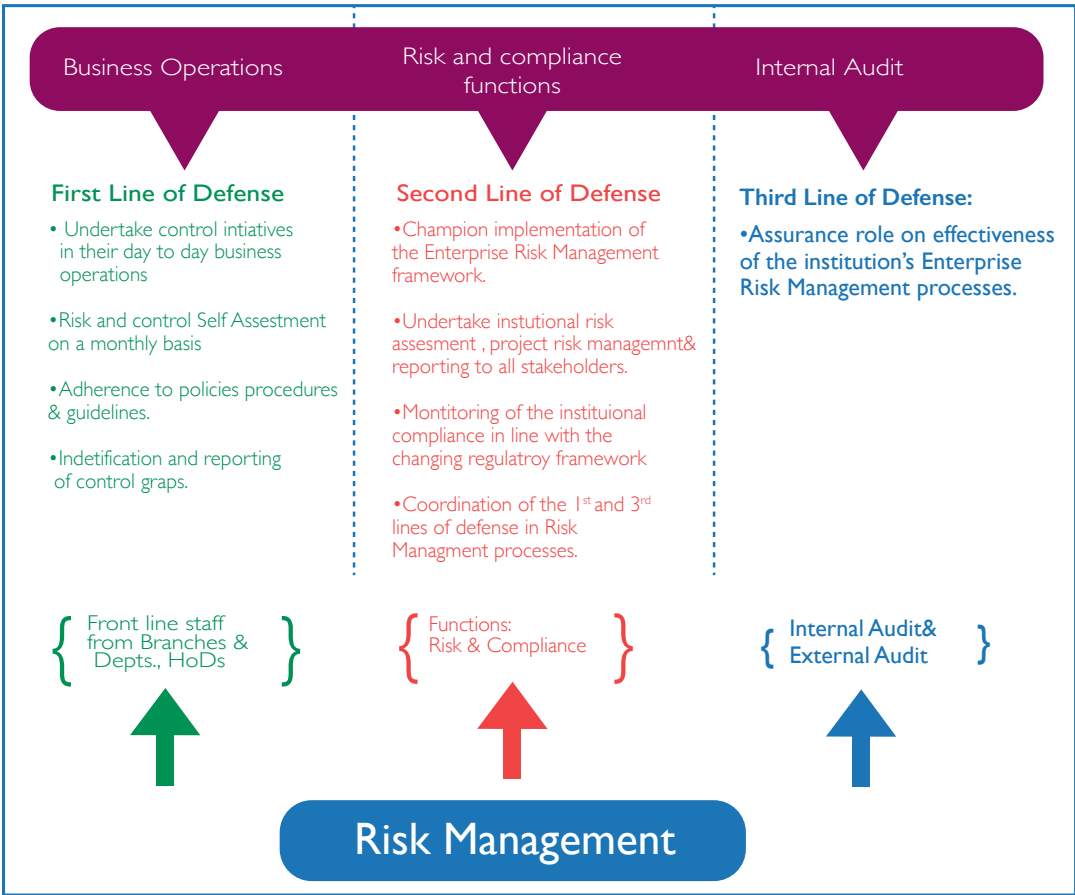
The Risk Management Approach

Effective Risk Management is critical to Pride’s Business operations and is achieved through utilization of the three Lines of Defense Model as highlighted below;

1st Line of Defense: This includes staff in the various business units. Risk Management has been incorporated within the day-to-day execution of staff roles and responsibilities with a duty to assess business risks at an individual level and departmental/ section levels.

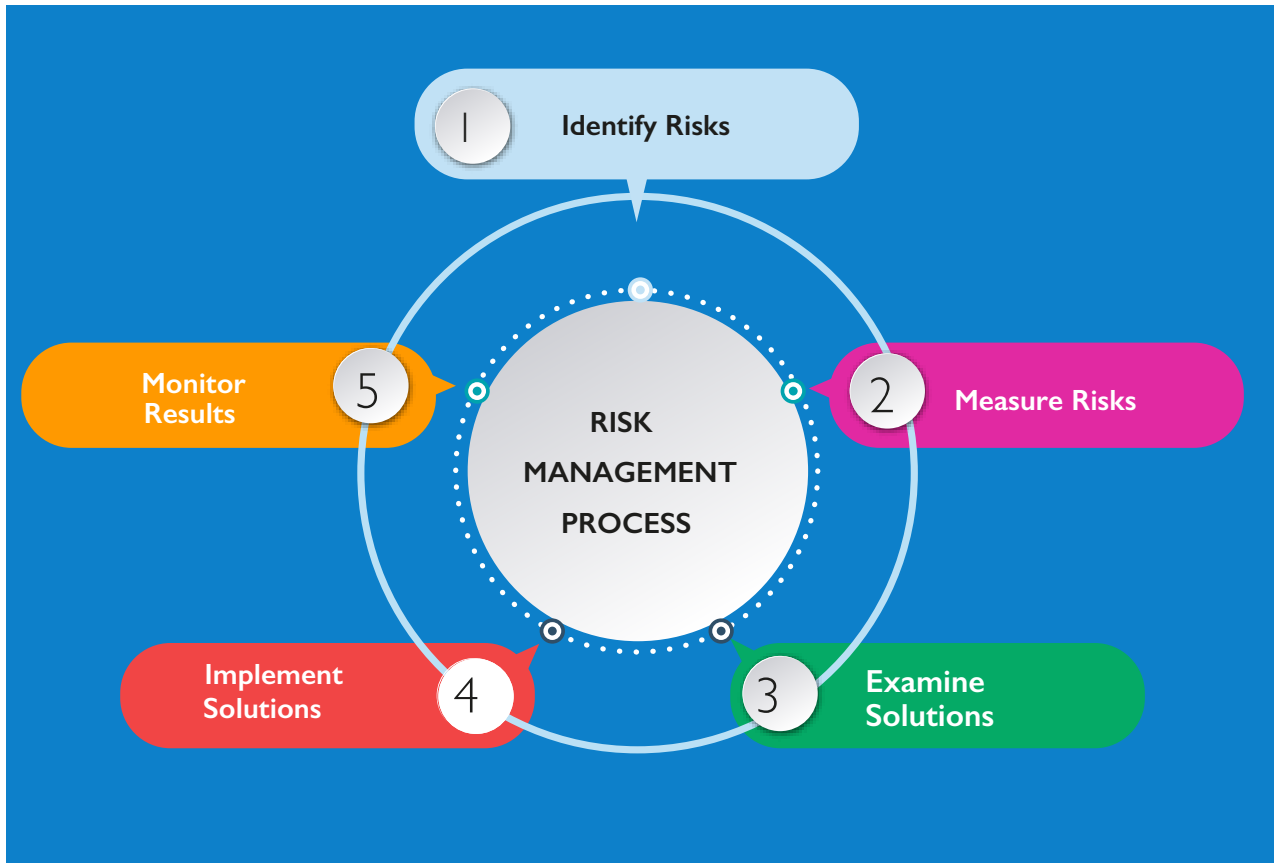
2nd Line of Defense: This comprises of two control functions; Risk and Compliance which are charged with championing risk assessment at an institutional level to support the 1st line of Defense. The two control functions are assigned with responsibilities to champion the Enterprise Risk Management and the Compliance Risk Management policies. They undertake independent risk assessments and promote awareness to the 1st line of defense.

3rd Line of Defense: This is constituted of the Assurance functions of Internal Audit and External Audit. The auditors provide reasonable assurance to the Board on the adequacy of Pride’s Risk Management framework.



Risk Management Process

The core objective of the risk management process is to ensure that risk exposures are carefully analyzed with cost effective ways to mitigate them i.e. provide the maximum risk reduction at least cost. At Pride, the risk management process is summarized in the following five steps:



Risk Assessment

Risk assessment is a critical stage in the risk management process which involves risk identification, risk analysis and risk evaluation, a combination of which determines the risk level in line with the Board approved risk measurement scale. To ensure effective risk assessment, Pride has empowered all business units with tools and a framework for risk assessment.

The institutional risk assessment framework comprises of;

- a) individual/ business unit level, where the business functions undertake Risk and Control Self Assessments on a monthly basis to highlight key risks in their operational areas and formulate action plans to address them.
- b) Reviews by the assurance functions to ascertain the adequacy of the control environment. The Business Impact Assessments Stress tests, Incident and Scenario analyses are among the key tools utilized to provide Pride with valuable knowledge of institutional vulnerabilities that expose the institution to critical risks.

To enhance the Risk Assessment processes, Pride maintains regular training programs for all staff in the areas of Risk Management, Business Continuity Management, Environmental and Social Risk management and Compliance. Any statutory and regulatory changes out-rightly trigger changes in internal policies and Pride maintains a zero tolerance to Non-Compliance at all levels.

Risk Monitoring

Risk monitoring is imperative to ensure that the risk management process is effective, a number of risk monitoring tools were approved by the Board and detailed in the Enterprise Risk Management framework. These range from a database of Key Risk Indicators and risk limits as aligned to the strategic objectives, various registers to track regulatory, internal / external market and incident registers. These are complemented by independent engagements by Risk and Compliance functions along with independent audit reviews as an assurance function in the Risk Management process.

EXCOM keeps track of business risk initiatives on a bi-weekly basis. Monthly reports are provided to the Board in a bid to appraise the Directors of the corporate Risk profile in addition to the quarterly report presented during the quarterly Board meetings. This has enhanced Board and EXCOM oversight of the Institutional Risk profile.

Types Of Risks At Pride

The different types of Risks that Pride faces in the execution of its operations do not exist in isolation, rather often have knock-on effects on one another. Liquidity and interest rates are inter-related; credit defaults can leave the institution with unwanted price risks; operational failures can cause liquidity and even solvency problem. To ensure understanding of particular sources of risk, their possible consequences and the practical approaches to managing them, it is important to have them adequately identified and classified.



Credit Risk

Credit risk is the potential that a bank borrower or counterparty will fail to meet their obligations in accordance with the agreed terms



Liquidity Risk

This is risk resulting from having insufficient liquid assets to settle cash needs or withdrawals from depositors and loan demands as they fall due.



Market Risk

Market risk is the potential for loss resulting from fluctuations in interest rates, foreign exchange rates and stock prices which are continuously traded on the financial markets.



Strategic Risk

Risk of current and prospective adverse impact on earnings or capital arising from inadequate business decisions, improper implementation of decisions or lack of responsiveness to industry changes.



Compliance Risk

Compliance risk is the risk of regulatory sanctions or material financial loss the institution may suffer as a result of failure to comply with laws, regulations, code of conduct, and standards of the best practice as well as incorrect interpretation of effective laws or regulations.

Management's commitment to conducting the business in a compliant manner is underlined, where instances of non-compliance are noted, through appropriate disciplinary action against the offending party. In general, compliance risk management is embedded in the day to day business processes and practices of Pride Microfinance.



Operational Risk

Operational risk is risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems or from external events.

As a key learning from the Pandemic, the Enterprise Risk Management Framework (ERMF) was enhanced through a review of a number of supportive policies and procedures to ensure that Pride is more resilient in the event of an occurrence of pandemics in the future. The ERMF among others specifies roles and responsibilities of all the players, the Corporate risk appetite, the risk management process along with the tools to be utilized in the process and most importantly the fundamental risk management approaches for the various risk categories. This has created a common risk management culture across Pride as well as sound contingent action plans that minimize the impact of any material threat to the business and maximizes opportunities.



Environmental And Social Risk

The potential negative sequences to a business that result from its impacts on the natural environment (i.e. air, water and soil) or communities or people (e.g. employees, customers and local residents).



Reputational Risk

Reputational risk is the potential loss of confidence by the public due to negative perception or image that could be created with/without any evidence of wrongdoing by Pride. Reputational value is often measured in terms of brand value.



Systemic Risk

Systemic risk is the possibility that default or failure by one financial institution causing knock on effects on other institutions and stability of the financial institution as a whole.

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Country Risk

Country risk is the risk associated with the economic, social and political conditions with Uganda or neighbouring countries e.g. elections, riots, demonstrations, epidemics, pandemics, political instabilities.

Risk Governance And Oversight

Pride's risk governance framework is key to the identification, measurement, monitoring and controlling of risk exposures. The framework provides a basis for the Board and Excom to establish the appropriate guides such that activities which generate risks are performed with the right mindset and are within risk appetite that's aligned to the broader strategic objectives.

All employees are responsible for the management of risk, with the ultimate responsibility residing with the Board. Central to the effective risk management approach is the Risk governance structure spearheaded by the Board of Directors through various oversight committees that ensure the Executive Committee of Management executes strategy in a manner that optimizes the Risk-Reward trade off.

Risk Management Focus Areas In 2023

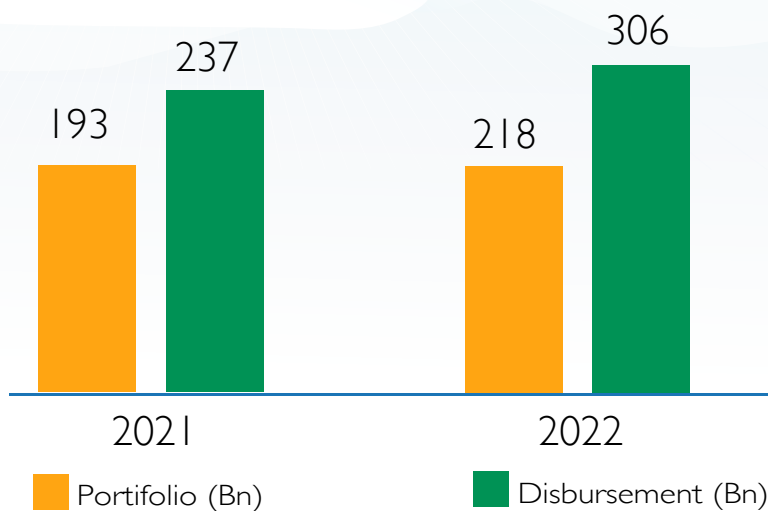
For the year ahead, Pride will continue to focus on embedding the right risk culture through driving ownership and accountability for risk and control at all levels of the organization. The strengthening of the first line of control assurance capability and resource capacity will also be key throughout the year. Given the rising cyber-attacks in the industry, Pride will pay deliberate attention to the development of real time fraud monitoring capability to ensure enhanced safety of transaction processing especially in the digital channels. Investment in building back-end capability to support growing transactional volumes will continue.

A key focus area in this regard, will be in the auto-reconciliation space for faster and more accurate matching of transactional items and the management of risks introduced by the reliance on third parties to serve clients.

The other key interventions include strengthening the AML/CFT control framework through revisions of the Know Your Customer (KYC) requirements and upgrading the AML surveillance system to a more robust solution. Similarly, continuously automating and digitizing our previously mundane tasks with feature prominently in 2023 as we implement initiatives in the digital transformation road map.

Sustainability Performance

In 2022, despite the devastating impact of various micro and macro-economic disruptions resulting from the COVID-19 pandemic, Pride achieved a positive growth of 13% in the gross loan portfolio from UGX 193Bn in 2021 to UGX 218Bn in 2022. The growth in the loan portfolio provides hope that the economy is emerging from the disruption caused by the pandemic. Furthermore, the annual disbursements grew by 29%, from UGX 237Bn in 2021 to UGX 306Bn in 2022.



Portfolio Classification

The sector information on the loan portfolio reveals that Trade & Business services and agriculture are the dominant sectors, accounting for 82% of the total portfolio. Community social services follow at 7%, Building, construction & real estate, and Transport at 5% and 4%, respectively.

ANALYSIS OF 2022 DISBURSEMENTS

Disbursements by Sector

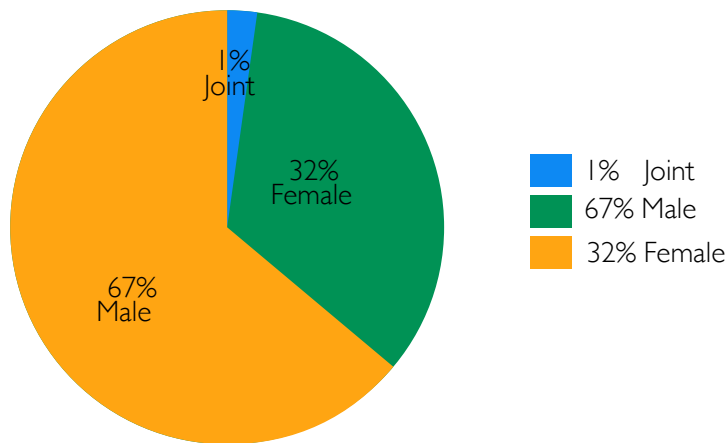
Of the UGX 306 Bn disbursed in 2022, Trade & Business services accounted for 67% (UGX 205.4Bn) of the total disbursement. Agriculture followed with 17% (UGX 52.5Bn) of the disbursement, while Community social services, Building, construction & real estates, Transport & communication, Consumer, and other sectors accounted for 4.8% (UGX 14.7Bn), 3.7% (UGX 11.2Bn), 3% (UGX 9.2Bn), 2.9% (UGX 9Bn), and 1.3% (3.8Bn), respectively. Consistent with the sector statistics, Pride continues to contribute to supporting the country's economy by investing in key sectors, such as Trade & Business and Agriculture, and helping to drive growth and development in Uganda.

Disbursements by Region

Out of the total disbursements of UGX 306 Bn, the highest allocation of 53% was made to Kampala metropolitan, followed by 19% to the Western region, 18% to the Eastern region, 6% to the Northern region, and 4% to the Central region.

Disbursements by Gender

Out of the total disbursements of UGX 306Bn, the allocation of funds by gender was 67% (UGX 203Bn) for male borrowers, 32% (UGX 97.8Bn) for female borrowers, and 1% (UGX 4.3Bn) was for joint borrowers.



FINANCIAL INCLUSION

Group credit guaranteed scheme

Pride has remained steadfast in its commitment to serve the underserved populations, as evidenced by the 23% growth in disbursements of collateral-free loan products, namely Community Banking and Group Guaranteed loans. In 2022, a total of UGX 69Bn was disbursed through the community bank product, up from UGX 56Bn in 2021. We are dedicated to making financial services accessible to all through our diverse range of products.

Youth inclusion Program

To address the demographic shift towards a youth-dominated population in Uganda, the Management of Pride designed a youth initiative program. Through the program 62 youth were trained and disbursed to them UGX 189M for their business startups in 2022. Through this program, we aim to provide the necessary financial resources, technical skills, and capital to support young entrepreneurs and promote their economic empowerment.

2023 outlook

Pride is committed to continue promoting financial inclusion for women, through a blended women product. This innovative product will offer a range of financial services specifically designed for women, including access to credit, financial literacy training, and tailored business support. We believe that this product will help to empower women entrepreneurs and support the growth of women-led businesses across Uganda.

FINANCIAL SUSTAINABILITY

A comprehensive analysis of the Bank's financial performance has been provided in subsequent pages of this annual report.

As a financial institution that plays a unique role in promoting socio-economic development and enhancing the Ugandan economy, Pride recognizes the importance of ensuring the sustainability of the operations to effectively serve our stakeholders. In line with this, we have prepared a value-added statement below that demonstrates the wealth created and distributed through our activities including paying salaries to our employees, taxes to the Ugandan government, and supporting local businesses through the procurement of goods and services.

FY2022 Value Added/created Statement

Value added				
INCOME STREAM	UGX	%	UGX	%
Interest Income	77,368,003	77.3	74,283,408	79.1
Commission fee income	15,890,160	15.9	12,921,546	13.77
Other revenues	6,870,126	6.9	6,636,444	7.07
TOTAL INCOME	100,128,289	100	93,841,398	100
Interest paid to depositors	(9,740,117)	(9.7)	(11,619,472)	(12.38)
Cost of services including Impairments	(37,063,709)	(37)	(34,336,311)	(36.59)
WEALTH CREATED	53,324,463		47,885,615	
DISTRIBUTION OF WEALTH				
Employees	41,761,434	78.3	36,444,884	76.11
Government	4,252,739	8	(347,073)	(0.72)
Retention to support future business growth	7,310,290	13.7	11,787,804	24.62
WEALTH DISTRIBUTED	53,324,463	100	47,885,615	

Pride created wealth worth UGX 53Bn in the year 2022 as shown above.

Pride remains committed to ensuring financial sustainability as a key priority in its efforts to promote socio-economic development within the country.

Financial Performance Overview

Financial Statistics	2022	2021	2020	2019
Statement of Comprehensive Income				
Gross Interest on loans	64,642,526	58,292,605	62,650,682	63,984,348
Net Interest and fee Income	80,083,142	71,928,719	73,343,931	76,799,705
Net impairment loss on financial assets	(5,172,564)	(8,250,290)	7,353,448	664,228
Non-Interest Income (net)	22,760,286	19,557,990	18,243,438	20,394,133
Operating expenses	75,390,239	67,124,432	64,457,820	664,228
Profit before income tax	11,563,029	11,440,731	15,484,355	17,938,173
Profit for the year	7,310,290	11,787,804	12,689,654	12,788,216
Statement of Financial Position				
Loans and advances (Net)	210,919,570	182,164,794	183,384,994	171,756,075
Balances with other banks	24,899,216	20,985,863	135,962,231	85,315,418
Total assets	427,463,009	372,693,080	377,083,722	323,135,171
Capital and reserves	160,869,272	153,558,982	141,771,178	129,081,524
Total liabilities	266,593,736	219,134,098	245,312,544	194,053,647
Statement of cash flow				
Cash flow (used in) operating activities	21,050,567	21,727,437	33,699,409	26,382,107
Net cash (used in)/generated from investing activities	6,078,080	3,079,110	3,105,454	5,082,911
Net cash generated from financing activities	10,665,697	3,463,224	16,552,523	5,763,636
Key financial ratios				
Yield on interest bearing instruments	8.47%	11.89%	10.09%	10.37%
Net interest income margin	17.88%	18.76%	19.32%	24.82%
Cost income ratio (without impairment)	67.11%	63.77%	44.24%	-10.13%
Cost income ratio (with impairment)	61.95%	54.99%	51.98%	-9.42%
Return on assets	1.71%	3.16%	3.28%	3.96%
Return on equity	4.54%	7.68%	8.95%	9.91%
Loan impairment ratio	-3.48%	-6.14%	-4.32%	-0.63%
Debt equity ratio	22.27%	13.56%	15.90%	2.73%

A review of the Pride's financial performance for the financial year 2022 compared to 2021 is as follows:

Pride recorded a profit of UGX 7.31Bn in 2022, which represents a 37.9% decline from the UGX 11.8Bn profit realized in 2021. The decline was attributed to increased expenses (particularly the rising costs of goods and services). Notably, the staff headcount increased from 807 in 2021 to 941 in 2022, following the decision to increase staff numbers to support the achievement of the organizational strategy. While the increase in headcount led to increased costs, we believe it will contribute to the long-term growth and sustainability.

Pride is committed to progressively enhance its financial sustainability. To achieve this goal, we onboarded to the Sustainability Standard Certification Initiative (SSCI) offered by the European Organisation for Sustainable Development to reinforce our focus on creating positive impact for our stakeholders. We aim to expedite the mainstreaming of SSCI with the day to day operations while seeking innovative ways ; boost sustainable agriculture value chain, promote sustainable trade and services sector, and empower women, youth and people with special needs. Our investment plan focuses on creating a positive impact on the community, environment, economy and corporate performance

Ensuring Financial Sustainability

Interest and fee Income

Gross Interest and fee income on loans grew by UGX 6.3Bn (10.8%) to UGX 64.6Bn from UGX 58.2Bn in 2021 as a result of a 12.8% growth in the gross loans and advances. Net Interest and fee income grew by UGX 8Bn (11%) to UGX 80Bn from UGX 71.9Bn in 2021.

In 2022, Pride's interest expense and related charges decreased by 6% to UGX 3.4Bn, down from UGX 3.6Bn in the previous year. This reduction was mainly due to a decrease in outstanding principal loan balances from various funders. We have been able to successfully manage our debt obligations, which has resulted in a decrease in interest expenses. As we continue to prioritize financial sustainability, we remain committed to maintaining a healthy balance between our debt obligations and funding sources, which will help us optimize our interest expenses and enhance our financial performance.

Non-Interest Income

Pride's non-interest income increased by 16% to UGX 22.7Bn in 2022, up from UGX 19.5Bn in 2021. This growth was driven by various factors, including increased income from fees and commissions, foreign exchange trading, and other non-interest income sources. We are pleased with this performance, which reflects our commitment to diversifying our income streams and maximizing revenue opportunities beyond traditional interest income. As we continue to explore innovative ways to grow our non-interest income, we remain focused on delivering value to our customers and stakeholders while maintaining a sustainable and profitable business model.

Net Impairment Loss and write off of loans and advances

Pride achieved a 34% reduction in expected credit losses (ECL) on our loan portfolio, equivalent to UGX 3.8Bn. This remarkable decline can be attributed to the management's increased efforts to collect nonperforming loans. We have implemented more effective strategies to reduce loan delinquency rates, and this has positively impacted our expected credit losses

Operating expenses

In 2022, Pride's operating expenses increased by 12.3% to UGX 75.3Bn, up from UGX 67.1Bn in the previous year. This increase can be primarily attributed to rising staff costs and staff development activities, as we had to increase our headcount and improve salaries to cope with the growing business expectations. We believe that investing in our employees' growth and development is crucial to our long-term success, and we remain committed to providing our staff with the resources and training necessary to thrive in their roles. While the increase in operating expenses has impacted our bottom line, we are confident that the investments we have made in our staff and business operations will yield positive results in the future.

The cost-to-income ratio with impairment increased to 67% from 63% in 2021 as well as that without impairment to 61% from 55% in 2021.

Strengthening The Financial Position Of Pride

Total assets increased by 14.7%, rising from UGX 372Bn to UGX 427Bn. The growth was as a result of an increase in new loan disbursement and fixed assets, indicating our strong financial performance. Below is a brief review of the Bank's major assets and liabilities and how they impacted the performance above: -

Borrowings from development partners

In line with our goal of growing the loan book, we increased our drawdowns from UGX 20.8Bn in 2021 to UGX 35.8Bn. The increase in borrowings provided us with the additional capital needed to drive the growth of our loan book.

Retained earnings

Pride's retained earnings decreased by 38% in 2022 due to reduced profits of UGX 7.31 billion. Despite the decrease in retained earnings, we remain optimistic about the future and are focused on building a sustainable and profitable organization.

Gross Loans and Advances

In 2022, Pride's gross loans and advances increased by UGX 24.9Bn (12.8%) to UGX 218Bn, up from UGX 193Bn in the previous year. The growth was mainly driven by the disbursement of UGX 306Bn, a 29% increase from UGX 237Bn disbursed in 2021. As we continue to grow our loan portfolio, we remain committed to maintaining a sound credit risk management framework that ensures the quality of our loan book.

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of Pride Microfinance Limited (MDI) ('the company' or 'the MDI').

1.Principal activities

The company takes deposits from the public and various institutions and provides loans and advances to customers.

2.Market risk

Market risk exists wherever the company has taken trading, banking and investment positions. Trading and investment limits are set by the Board of Directors ('Board') to contain the risk of losses within a prescribed amount in the event of adverse price movements.

3.Capital adequacy

The company monitors the adequacy of its capital using ratios advised by Bank of Uganda. Capital adequacy is assessed by comparing the company's eligible capital with assets in its statement of financial position, market and other risk positions at a weighted amount to reflect their relative risk.

The market risk approach covers the general market risk. Assets are weighted according to broad categories of notional credit risk, being assigned a risk weighting according to the amount of capital deemed to be necessary to support them. Three categories of risk weights (0%, 20%, and 100%) are applied; for example, cash and investments in government securities have a zero-risk weighting which means that no capital is required to support the holding of these assets. Balances with banks and other financial institutions will be subject to a risk weight of 20%. Premises and other non-current assets, long term investments, loans net of provisions, inter-branch balances and other assets carry a 100% risk weighting.

Contingent claims secured by cash collateral have zero risk weighting, direct credit substitutes (guarantees and acceptances) have 100% risk weighting while transaction related facilities (performance bonds) carry a 50% risk weighting. These are the off-balance sheet items.

Tier 1 capital consists of shareholders' equity. Tier 2 capital includes subordinated debt (not to exceed 50% of core capital, subject to discount factor), other reserves and general provisions of up to 1% of loan portfolio (limited to a maximum of 1.25% of gross risk-weighted assets).

Capital Requirement Basis:

Core capital required is 15% of the total risk weighted assets including the risk weighted contingent claims.

Total capital required is 20% of the total risk weighted assets including the risk weighted contingent claims.

Effective 31 December 2022, the paid-up capital requirements was increased from Ugx 500 million to Ugx 10 billion. Pride was compliant with the new capital requirement.

3. CAPITAL ADEQUACY (CONTINUED)

Based on the above ratios and definitions of capital, the company's capital adequacy position is as follows:

	Statement of Financial Position Nominal Amount	Risk weight	Risk Weighted Amount	Statement of Financial Position Nominal Amount	Risk Weighted Amount
Assets (net of provisions):	2022 Ushs'000		2022 Ushs'000	2021 Ushs'000	2021 Ushs'000
Notes and coins	9,358,734	0%	-	7,958,076	2,605,557
Cash at bank	15,540,482	20%	3,108,096	13,027,787	23,240,722
Debt Instruments at amortized cost (Fixed deposits)	132,080,802	20%	26,416,160	116,203,612	-
Debt Instruments at amortized cost (Treasury bills & bonds)	15,946,476	0%	-	16,153,373	-
Loans and advances to customers	210,081,327	100%	210,081,327	176,526,546	176,526,546
Intangible asset	5,058,181	100%	5,058,180	4,248,552	4,248,552
Property and equipment and right of use assets	28,176,774	100%	28,176,774	26,842,036	26,842,036
Other assets	6,088,287	100%	6,088,287	4,756,113	4,756,113
Current tax asset	4,293,704	100%	4,293,704	906,287	906,287
Deferred tax asset	-	100%	-	432,450	432,450
Total	426,624,767		283,222,528	367,054,832	239,558,263
Capital ratios	Capital 2022		Ratio 2022	Capital 2021	Ratio 2021
Tier 1 capital	156,307,582		55.19%	142,264,188	59.39%
Tier 1 + Tier 2 capital	162,594,823		57.41%	148,210,328	61.87%

The above computation indicates that the company complies with the capital adequacy requirements under Sections 15 and 16 of the Microfinance Deposit Taking Institutions Act, 2003 Laws of Uganda.

For purposes of Regulatory Capital Computation, the value of loans and advances to customers has been considered as gross loans and advances less the regulatory provision computed in accordance with the requirements of The Micro Finance Deposit-Taking Institutions (Asset Quality) Regulations, 2004 which differs from the provision computed in accordance with IFRS as presented in the statement of financial position.

4. RESULTS

The results for the year are set out on page 43.

5. DIVIDENDS

No dividend was paid or declared in the current year, (2022: Nil).

6. RESERVES

The reserves of the company are set out on page 45.

7. AUDITOR

In accordance with Section 17 (1) of the National Audit Act, 2008 of Uganda, the financial statements are required to be audited once every year by the Auditor General of Uganda or an auditor appointed by him to act on his behalf. For the year ended 31 December 2022, M/s KPMG, Certified Public Accountants, were appointed to act on behalf of the Auditor General.

8. DIRECTORS

The Directors who held office during the year and to date of this report are set out on page 9.

9. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the directors at a meeting held on 23rd, March 2023

By order of the Board

Signed: 

Ms. Claire. S. Ekochu
SECRETARY

Statement of Directors Responsibilities

The company's directors are responsible for the preparation and fair presentation of the financial statements of Pride Microfinance Limited (MDI), comprising the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies, in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), the Companies Act, 2012 Laws of Uganda and Microfinance Deposit Taking Institutions Act, 2003 Laws of Uganda, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances and safeguarding the assets of the company.

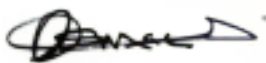
Under the Companies Act, 2012 Laws of Uganda and the Microfinance Deposit Taking Institutions Act 2003 Laws of Uganda, the directors are required to prepare financial statements for each year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure the company keeps proper accounting records that disclose with reasonable accuracy the financial position of the company.

The directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Standards, Microfinance Deposit Taking Institutions Act, 2003 Laws of Uganda and the Companies Act, 2012 Laws of Uganda. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and its operational results for the year ended 31 December 2022. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the next twelve months from the date of approval of the financial statements.

Approval of the Financial Statements

The financial statements, as indicated above, were approved and authorised by the Board of Directors on 23rd March 2023



Hon. Fred Jachan Omach Mandir
Board Chairman



Mr. Paul Banadda Kiyingi
Director



Ms. Veronicah G. Namagembe
Managing Director

Report of the Independent Auditors

I) Report of the Auditor General on the Summary Financial Statements to the members of Pride Microfinance Limited (MDI)

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31st December 2022, the summary statement of comprehensive income for the year then ended and other disclosures, are derived from the audited financial statements of Pride Microfinance Limited (MDI) for the year ended 31st December 2022.

In my opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the Micro-Finance Deposit-taking Institutions Act, 2003 Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), the Micro-Finance Deposit-taking Institutions Act, 2003 Laws of Uganda and the Companies Act of Uganda, 2012 Laws of Uganda. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and My Report Thereon

I expressed an unmodified audit opinion on the audited financial statements in my report dated 25th April 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that in my professional judgement were of most significance in my audit of the financial statements for the current period.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the Micro-Finance Deposit-taking Institutions Act, 2003 Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

Auditor's Responsibility

My responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on my procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

John. F.S. Muwanga
AUDITOR GENERAL



25th April 2023

Financial Statements 2022

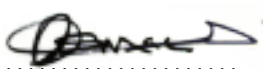
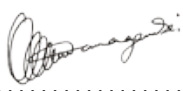
Statement Of Profit Or Loss And Other Comprehensive Income

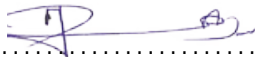
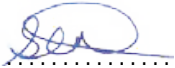
	2022	2021
	Ushs'000	Ushs'000
Interest income	77,368,003	74,283,408
Interest expense	(13,175,021)	(15,276,235)
Net interest income	64,192,982	59,007,173
Fee and commission income	16,002,298	13,080,608
Fee and commission expenses	(112,138)	(159,062)
Net fee and commission income	15,890,160	12,921,546
Net trading income	80,083,142	71,928,719
Other operating income	6,870,126	6,636,444
Net operating income	86,953,268	78,565,163
Personnel costs	(41,761,434)	(36,444,884)
Other operating expenses	(22,202,443)	(16,352,980)
Impairment losses on financial instruments	(5,172,564)	(8,250,290)
Depreciation and amortization of property, equipment and right of use assets and intangible assets	(6,253,798)	(6,076,278)
Total expenses	(75,390,239)	(67,124,432)
Profit before tax	11,563,029	11,440,731
Income tax expense/credit	(4,252,739)	347,073
Profit for the year	7,310,290	11,787,804
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year	7,310,290	11,787,804

Statement Of Financial Position

	2022	2021
	Ushs'000	Ushs'000
ASSETS		
Cash and cash equivalents	24,899,216	20,985,863
Debt instruments at amortised cost	148,027,278	132,356,985
Loans and advances to customers	210,919,570	182,164,794
Other assets	6,088,287	4,756,113
Current tax recoverable	4,293,704	906,287
Deferred tax asset	-	432,450
Intangible assets	5,058,180	4,248,552
Property and equipment and right-of-use assets	28,176,774	26,842,036
TOTAL ASSETS	427,463,009	372,693,080
LIABILITIES AND EQUITY		
LIABILITIES		
Customer deposits	187,805,508	154,778,960
Excess savings over loan insurance fund	6,463,394	8,349,170
Loan insurance fund	2,467,913	2,594,686
Contract liabilities	4,971,394	4,425,166
Other liabilities	21,586,129	20,439,529
Borrowed funds	35,827,529	20,818,105
Amount due to related party	300,083	300,083
Debenture	4,281,663	4,281,663
Deferred grants	613,229	3,146,736
Deferred tax liability	2,276,895	-
TOTAL LIABILITIES	266,593,737	219,134,098
EQUITY		
Share capital	25,207,350	25,207,350
Retained earnings	131,100,232	117,056,838
Regulatory reserve	4,561,690	11,294,794
TOTAL EQUITY	160,869,272	153,558,982
TOTAL LIABILITIES AND EQUITY	427,463,009	372,693,080

The financial statements set out on pages 43 to 48, were approved and authorized for issue by the Board of Directors on 23rd March 2023 and signed on its behalf by:

Director (Board Chairman):  Managing Director: 

Director:  Secretary: 

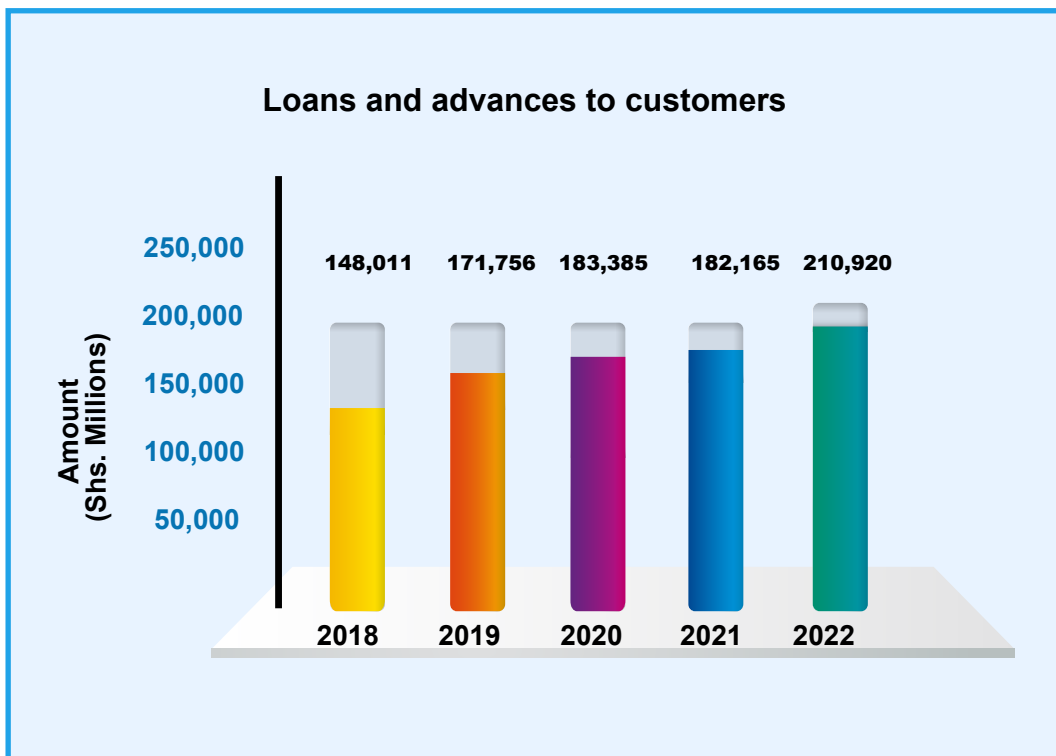
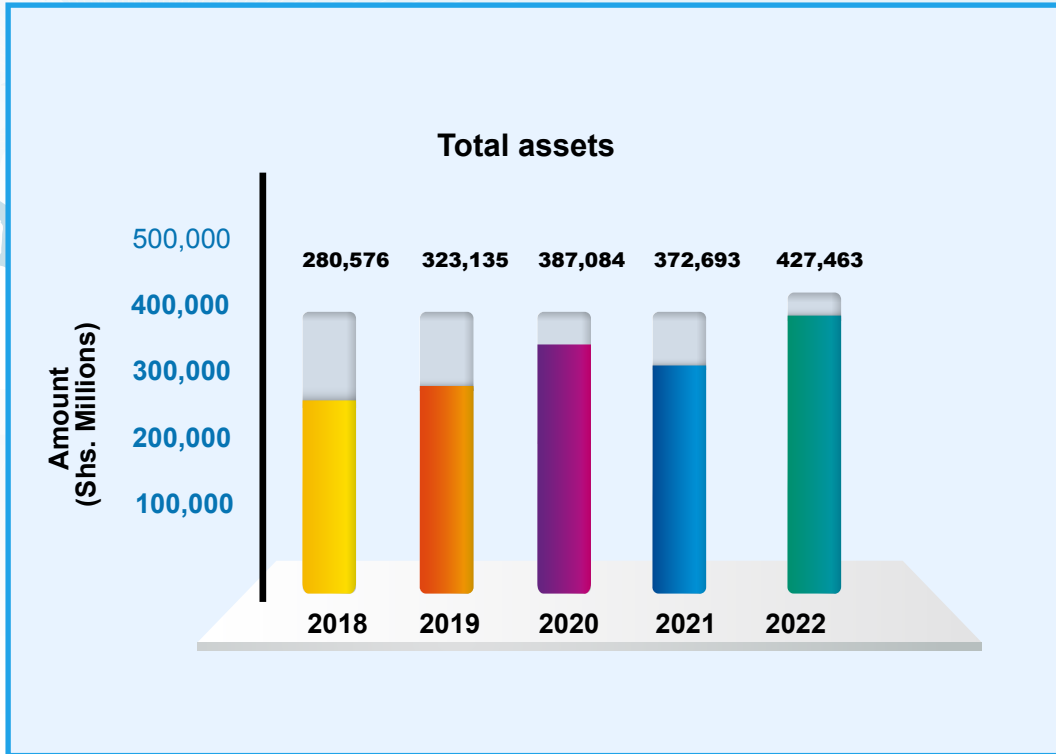
Statement Of Changes In Equity

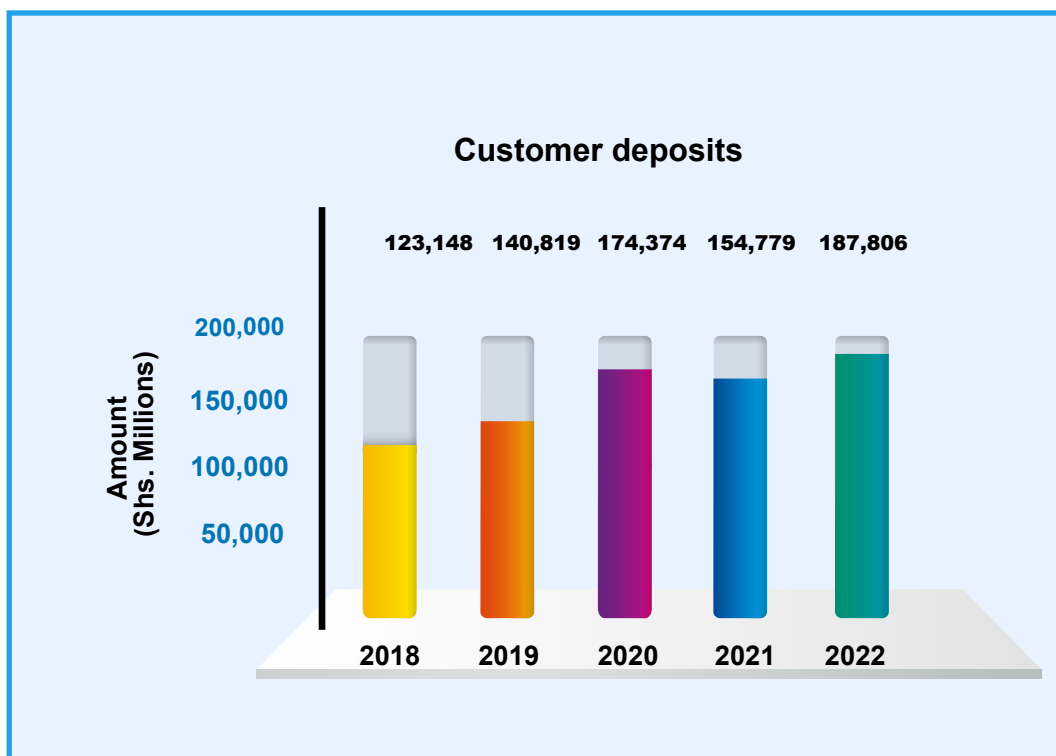
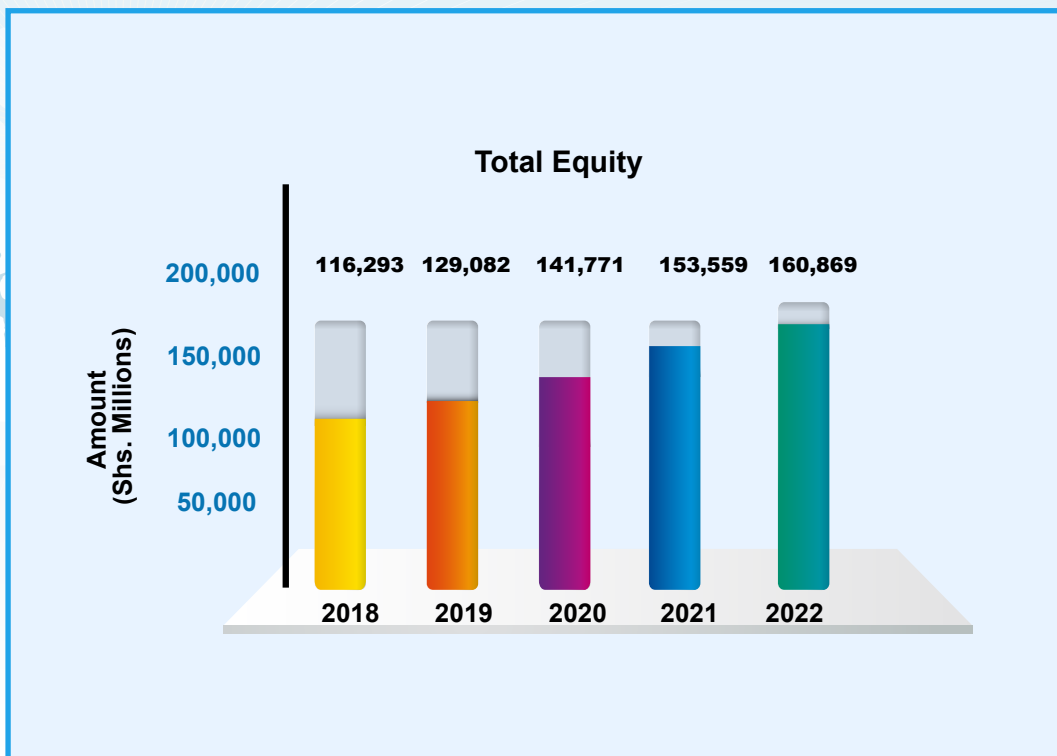
	Share capital Ushs '000	Retained earnings Ushs '000	Regulatory reserve* Ushs '000	Total Ushs '000
At 1 January 2021	25,207,350	113,869,799	2,694,029	141,771,178
Total comprehensive income for the year	-	11,787,804	-	11,787,804
Transfer to regulatory reserve (Note 25)	-	(8,600,765)	8,600,765	-
At 31 December 2021	25,207,350	117,056,838	11,294,794	153,558,982
At 1 January 2022	25,207,350	117,056,838	11,294,794	153,558,982
Total comprehensive income for the year.	-	7,310,290	-	7,310,290
Transfer from regulatory reserve (Note 25)	-	6,733,104	(6,733,104)	-
At 31 December 2022	25,207,350	131,100,232	4,561,690	160,869,272

*The regulatory reserve represents amounts by which provisions for impairments of loans and advances determined in accordance with the Microfinance Deposit Taking Institutions Act 2003 (MDI Act 2003) exceed those determined in accordance with International Financial Reporting Standards. The excess amount is appropriated from retained earnings as required by the Bank of Uganda prudential guidelines.

	2022	2021
	Ushs '000	Ushs '000
Profit before tax	11,563,029	11,440,731
Adjustment for:		
Depreciation of property and equipment and right-of-use assets	5,363,389	5,113,924
Amortisation of intangible asset	890,409	962,355
Loss on disposal of property and equipment	166,672	204,274
Gain on termination of leases	(21,272)	(140,255)
Amortisation of grants	(392,792)	(100,749)
Amortisation of deferred transaction costs	58,670	59,248
Interest expense on borrowings	2,187,196	2,430,039
Interest expense on leases	1,189,038	1,168,098
Effect of exchange rates on cash and bank	-	589,772
Operating profit before changes in operating assets and liabilities	21,004,339	21,727,437
Changes in:		
Debt instruments at amortised cost	(15,670,293)	3,284,103
Loans and advances	(28,754,776)	1,220,200
Other assets	(1,333,691)	(528,329)
Customer deposits	31,140,772	(26,309,608)
Loan Insurance Fund	(126,773)	(1,542,597)
Contract liabilities	546,228	1,234,298
Other liabilities	760,993	1,852,633
Cash used in operations	(13,437,540)	(20,789,300)
	7,566,799	938,137
Income taxes paid and WHT	(4,930,812)	(1,160,436)
Interest paid on borrowings	(2,121,212)	(2,515,101)
Repayment of interest portion of lease liabilities	(1,189,039)	(1,168,098)
Net cash flows used in operating activities	(674,264)	(3,905,498)
Investing Activities		
Proceeds from disposal of property and equipment	133,050	24,520
Purchase of property and equipment	(4,088,332)	(2,635,659)
Advanced payments for new lease arrangements	(422,761)	(10,299)
Acquisition of intangible assets	(1,700,037)	(457,672)
Net cash flows used in investing activities	(6,078,080)	(3,079,110)
Financing Activities		
Grants received	385,380	420,266
Grants refunded	(2,526,093)	-
Repayment of principal portion of lease liabilities	(2,078,361)	(2,188,154)
Payment of upfront borrowing transaction costs	(91,479)	(30,829)
Principal repayment of borrowings	(7,723,750)	(4,164,507)
Borrowings received	22,700,000	2,500,000
Net cash in flows from/ (used in) financing activities	10,665,697	(3,463,224)
Net increase/(decrease) in cash and cash equivalents	3,913,353	(10,447,832)
Effect of exchange rates on cash and bank	-	(589,772)
Cash and cash equivalents at the beginning of the year	20,985,863	32,023,467
Cash and cash equivalents at the end of the year	24,899,216	20,985,863

Financial Highlights 2022






Pride offices, Branches and Contact Office Addresses

Branches		Address
1	Arua	Plot 1, Avenue Road P.O Box 905 Arua Telephone: +256476420490
2.	Abayita Ababiri	Plot 523, Block 438, Entebbe
3	Bugiri	Plot 1 Mivule Road P.O Box 170 Bugiri Tel: +256 43 250 130
4.	Bukoto	Victoria Park, Block B Plot 6-9 Ben Kiwanuka Okot Close P.O. Box 7566, Kampala Tel:+ 256 757 346 297
5	Bushenyi	Plot 3 High Street P.O Box 341, Bushenyi Tel: +256 485 433 929
6	Buwenge	Corner House Kamuli Road PO Box 1839 Jinja Tel: + 256392718417
7	City Centre	Plot 40-46 Mukwano Arcade P.O. Box 7566 Kampala Tel: +256 414 507 051
8	Entebbe Road	Plot 8-10 Metropole House, Entebbe Road P.O. B ox 7566 Kampala Tel: +256 041 446297, +256 0414 346930
9.	Fortportal	Plot 23 Rukidi Road P.O. Box 968 Fortportal Tel: +256 483 422 989
10	Gulu	Plot 17 , Cemetery Road P.O Box 149, Gulu Tel. 0392-718417
11	Hoima	Plot 30 Old Tooro Road Muganywa Centre Building, P.O. Box 168 Hoima Tel: +256 465 40 469
12	Iganga	Plot 37/38 Main Street P.O. Box 170 Iganga Town Tel: +256 43 242 430
13	Ishaka	Plot 22 Rukungiri Road P.O. Box 341 Ishaka Tel: +256 485 443 477

Branches		Address
14	Isingiro	Kabingo Trading Centre Plot 15, Isingiro
15	Jinja	Plot 32/34 Main Street P.O. Box 1839 Jinja Tel: +256 434 121 316
16	Kabalagala	Plot 261 Muyenga Road P.O. Box 7566 Kampala Tel: +256 414 510 447
17	Kabale	Plot 143 Kabale P.O. Box 368 Kabale Tel: +256 486 424 207
18	Kabwohe	Mbarara Road Opp. Caltex Filling Station P.O. Box 341 Bushenyi Telephone: +256 485 422 939
19	Kasese	Saad Building P.O. Box 487 Kasese Tel: +256 483 444 151
20	Katwe	Plot 413 Katwe Road P.O. Box 7566 Kampala Tel: +256 414 345 709
21	Kawempe	Plot 3726 Bombo Road (Lukadde Stage before Total Petrol Station) P.O. Box 7566 Kampala
22	Lugazi	Plot 17, Kampala Road P.O. Box 541 Lugazi Town Tel: +256 414 448 106
23	Lira	Plot 48 Obote Avenue Lira Town Tel: +256 473 420 283
24	Masaka	Plot 25 Masaka-Kampala Road P.O. Box 351 Masaka Tel: +256 481 420 647
25	Mbale	Plot 15 Republic Street P.O. Box 2516 Mbale Tel: 0454434235/0757334235
26	Mbarara	Plot 59 High Street P.O. Box 1619 Mbarara Tel: 0485420826

Branches		Address
27	Mukono	Jinja Road next to URA Offices P.O. Box 541 Mukono Tel: +256 414 290 130
28	Nakawa	UMA Show Ground Behind UMA Offices P.O. Box 7566 Kampala Tel: +256 414 220 751
29	Nakulabye	Nakulabye, S J Basirika Building, Hoima Road P.O. Box 7566 Kampala Tel: +256 414 345 709
30	Nansana	Richie Towers, Hoima Rd
31	Nateete	Masaka Road, Opposite Nateete Police Station P.O. Box 7566 Kampala Tel: +256 414 272 600
32	Rukungiri	Plot 22 /24 Republic Road (next to Senas supermarket) P.O. Box 289 Rukungiri Telephone: +256 486 442 483
33	Soroti	Plot 33/35 Solot Avenue P.O. Box 720 Soroti Tel: +256 454 461 632
34	Wandegeya	Plot 951/2 Bombo-Gayaza Road Roundabout P.O. Box 7566 Kampala
Contact Offices		
35	Bweyale Contact Office	Deeka street, Bweyale town council
36	Ibanda Contact office	Main street, Bufunda Ward Ibanda Town
37	Kagadi contact office	High street Kagadi town
38	Kamuli contact offices	Plot 7, Mutekanga Zone, Bugabula County. Kamuli Town



Branches		Address
39	Kayunga contact office	Plot 6, Ntenga Road P.O.Box 541
40	Kisoro Contact Office	Block29, Plot 68 Kisoro High street
41	Kyaliwajjala Contact Office	Block 223, plot 36, Nabwoto,-Namugongo, Kyaliwajjala, Kireka Road
42	Masindi contact office	Plot 80, Masindi- Fort road
43	Namayingo Contact Office	Buyinda Sub county, Namayingo town
44	Pader Enhanced Contact Office	Plot 18 E.Y Komakech Road Pader Town Council

