

Uganda Central Co-operative Financial Services Ltd

Reg.No.8736

Bankers:

Barclays Bank
Hannington Road, Kampala.
Centenary Bank
Entebbe Road, Kampala.

Head office

Plot 47/49
Nkrumah Road

Tel. 0414-258898/233988/343173

Fax: 0414- 258556 / 0772666996
C/o P.O .Box 2215
Kampala.

UCCFS/mmsph

27/05/2014

The Chairperson

Luzira Alliance SACCO

Dear Sir/Madam,

Subject: Invitation to be a member of Uganda Central Cooperative Financial Services (UCCFS) Ltd.

During their special general meeting in July 2007, co-operators recommended that Uganda Co-operative Alliance undertake a study to establish the feasibility and viability of a “co-operative bank” in Uganda. Furthermore, at their Annual General Meeting in September 2007, the members of Uganda Co-operative Alliance re-affirmed the co-operators’ desire to establish a co-operators’ “bank”.

In December 2007, UCA commissioned a study on the subject matter and the Consultants produced their final report in May 2008. Among other things, the Consultants found out that given the existing legal environment and given the fact that the winding up of the co-operative bank has not yet been concluded, it would be very difficult (if not impossible) for co-operators to start a new co-operative bank or a micro finance deposit taking institution in Uganda. Consequently, they recommended that the co-operators could rather start a big or secondary co-operative specializing in providing financial and other co-operative development support services.

The following are the major highlights of the co-operative organization:

Name: Uganda Central Co-operative Financial Services (UCCFS) Ltd.

Registration: UCCFS has Registration No.8736

Domicile: Kampala but serving the whole of Uganda with the possibility of opening and operating branches in any part of the country

Vision: “A Catalyst for a financially strong and competitive co-operative movement”

Mission: *“Creating opportunities for co-operative growth and services to co-operators through efficiency and economies of scale”*

Objectives:

- i) Provide financial services including liquidity management to its members.
- ii) Provide financial linkage and payment arrangements to all its members countrywide.
- iii) Provide any other co-operative development support services demanded and approved by its members.

Major activities:

- a.) Liquidity management for its members
- b) Linking its members with the rest of the financial system including payment arrangements
- c) Facilitating savings mobilization programs and branding campaigns.
- d) Instituting credit programs and services such as term loans, wholesale loans etc. based on the members’ demand and capacity.
- e) Facilitating financial intermediation between its members.
- f) Promoting and facilitating other professional financial services such as investment services, insurance, money transfers, payments, etc.
- g) Facilitating joint financial programs and services with other entities with similar or shared objectives.
- h) Lobbying, advocacy and representation for its members in respect to all financial matters/issues at all levels
- i) Developing and implementing educational programs on financial matters in particular savings, credit, insurance, governance and management, treasury and risk management, operational systems, customer care/protection, etc as will be demanded by its members.
- j). Any other co-operative support service demanded and approved by its members and permissible under the Cooperative Statute, the Regulations and these Bylaws.

Share capital

- i) Nominal value / Per Value of Shares: Sh. 1,000,000 (one million only)
- ii) Minimum No. of shares for a fully paid up members:5 (five) value Shs. 5 (five) million
- iii) Institutional Capital e.g. general reserve, education fund, share transfer fund, capital development fund, donated equity (which shall remain undistributed).
- iv) Membership fee of Shs 100,000 per member, which shall be a once and off payment.

Mode of Payment

Payment for membership and share capital may be made in a single lump sum of both share capital and membership fees or in installments. A co-operative organization completing such payments shall become a full member. Such a member shall exercise the full membership rights and responsibilities as well as participating in the Annual General Meetings, General Meetings or Special General Meetings

On the other hand, a member who has paid membership fees in full but has not yet completed subscribing to the 5 shares (to become a full member) shall become an Associate Member. An Associate Member shall, subject to UCCFS’ policies, procedures and guidelines access and

enjoy its services for a period not exceeding one year. However, an Associate Member shall not exercise the full membership rights and responsibilities.

Other Resources

- i) Saving deposits or any other form of deposits by member cooperatives.
- ii) External Loans obtained in accordance with the Co-operative Statute and the Regulations and, UCCFS Bylaws.
- iii) Unconditional Reserves approved by members at their General Meeting.
- iv) Any funds that do not have an express condition or specified destination by the donors (and are likely to remain undistributed)

Eligible Members

- i) All legally registered cooperatives in Uganda
- ii) Legally registered cooperatives and co-operative organizations from other countries
- iii) Social Investors/ Development partners supporting co-operative development in Uganda

Date of Commencement: We started on membership recruitment in September 2008. By start of January 2009, UCCFS Office opened on ground floor, UCA Building located on plot 47/49 Nkrumah Road, Kampala.

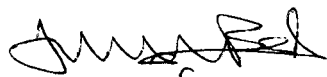
The co-operative movement in Uganda resolved to start its own financial institution and as demonstrated during the 25th June 2008 Special General Meeting, many co-operatives signed up for membership. In that meeting, the members elected the Board, the Supervisory as well as the Advisory Committees. Members have already started accessing whole sale loan funds and other services.

The purpose of this letter therefore is to request your co-operative to join this initiative. A number of development partners have already expressed interest in supporting Uganda co-operators' initiative and your keen enthusiasm and participation will be a strong encouragement to them and others.

UCCFS has a Current Account at Centenary Bank a/c **No. 3011000016** Entebbe Road Branch. (but you can deposit using any branches) and please call to advise the payment. You may also pay by cheque drawn in favour of Uganda Central Co-operative Financial Services Ltd. Thank you very much for joining the initiative that will take Uganda's co-operative movement to greater heights.

With Co-operative Greetings

Yours Faithfully,



Patrick Bakunda
General Manager