

CAIRO BANK, FURAHA FINSERVE PARTNER ON EDUCATION FINANCING

In a move that signals a strategic pivot towards impact-driven finance, Cairo Bank Uganda Limited has joined forces with fintech Furaha Finserve to tackle one critical pain point of Ugandan parents – school fees. The partnership, centred on a new model of purpose-based lending, aims not only to keep children in school, but also to prove that addressing deep-seated social challenges can be a scalable and profitable core business for financial institutions. In this interview, Cairo Bank Uganda acting managing director Sylvia Jagwe Owachi breaks down the features of the partnership.

Q Cairo Bank's partnership with Furaha is described as focusing on expanding access to purpose-based financing. What exactly is purpose-based financing?

A It is a fundamental shift from providing financing for recurrent expenditures to providing a specific solution. For example, a traditional personal loan is paid into your account, where it can be diverted to other urgent needs that were not planned for.

A purpose-based loan is engineered for a single outcome. The funds are never handed to you; they are paid directly to the beneficiary. For school fees, this means the money is paid directly to the school, guaranteeing your child's place and eliminating the risk of diversion. It is finance that delivers a result, not just liquidity.

You are starting with school fees loans based on the grim statistic that only 10% of the children who started primary education in 2012 went on to finish A'level. How will the school fees loans address this?

That statistic is more than a number; it is a narrative of interrupted potential. We are tackling the root cause head-on by addressing the cash flow problem that forces parents to make an impossible choice. Our partnership directly dismantles this barrier.

With Cairo Bank Uganda providing affordable financing and Furaha providing the purpose-based lending platform directly connected into the education ecosystem, parents have access to a reliable and timely solution exactly when school fees are due. This removes,

Sylvia Jagwe Owachi (Ag. Managing Director, Cairo Bank Uganda) and Dennis Musinguzi, the CEO of Furaha Finserve Uganda, during the announcement of the partnership to expand access to education financing, meant to benefit over one million children over the next five years



the primary cause of disruption.

Together, we are replacing uncertainty with predictability, ensuring that a child's education is continuous and their future is not determined by a temporary lack of funds.

Operationally, how do you ensure this loan truly serves its purpose and does not become another debt burden for families?

While Cairo Bank provides affordable financing, we want to do it responsibly. This is achieved through a two-part strategy. The first part begins when a parent applies through the Furaha app.

The platform conducts an intelligent assessment using a blended model that analyses a number of data points of an individual's financial behaviour, including their loan payment history and mobile wallet transactions. This allows us to responsibly serve customers, who are financially active and 'bankable', but are often deemed

not 'loanable' by traditional systems due to a lack of physical collateral.

Once approved, the second part of our strategy, which is lending towards the need, comes in.

A parent fills in the details of their child, and the money is paid directly into the school account. The parent never receives the cash, which guarantees the loan fulfills its only purpose.

Finally, we structure all repayments over a manageable 90-day period that aligns perfectly with the school term, allowing children to keep learning while parents pay in manageable installments.

Beyond parents, how does the school fees loan strengthen the wider education ecosystem?

The crisis is systemic. Our research shows that only 30% of parents pay fees in full by the term's start, forcing schools to operate in a deficit. This leads to delayed teacher salaries and an unstable learning environment.

Our model creates a predictable revenue flow for schools.

When schools are paid on time, they can pay teachers promptly, maintain infrastructure and focus on their core mission around delivering quality education.

Ultimately, we are building a more stable and resilient ecosystem, which will, in turn, help us in ensuring over a million children never miss a day in class over the next five years.

Looking beyond education, what is the broader vision for this partnership? Are there other sectors where you plan to apply this "purpose-based" model?

Both Cairo Bank and Furaha have a shared ambition of contributing to a future where more Ugandans can access purposeful financing.

While we started with education financing, we are working on rolling out even more purpose-based loan products across different segments that are impactful to reach more families and grow their incomes.