



THE MICROFINANCE
SUPPORT CENTRE LTD

Transforming Livelihoods

Annual Report



1st July 2024 - 30th June 2025



www.msc.co.ug





Driving enterprise growth through innovation: Mr. Disan Musisi, Chairperson of the Nakasongola County Restaurant Owners Emyooga SACCO, demonstrates strategic innovation by connecting poultry farming to their main catering business. With a 400-bird poultry project employing four workers, the SACCO is strengthening its value chain—securing a dependable chicken supply at lower costs while boosting profits, creating jobs, and enhancing collective wealth among its members.

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► Definition of key terms

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Parish-Based Association: A community-based organization that operates at the parish level, often focusing on social, economic, or developmental issues affecting the local community.

Portfolio: A collection of assets, projects, or investments managed by an individual or organization.

SACCO (Savings and Credit Cooperative Society): A member-owned financial cooperative that provides savings and credit services to its members.

Savings: Amounts of money set aside or accumulated over time, often for future use or emergency purposes.

► List of Abbreviations / Acronyms

AfDB	African Development Bank
AGM	Annual General Assembly
AMFIU	Association of Microfinance Institutions of Uganda
BoD	Board of Directors
DCOs	District Commercial Officers
FCBDS:	Finance Credit Business Development Services Committee
GARC:	Governance, Audit and Risk Committee
HRCC:	Human Resource and Compensation Committee
IF	Islamic Finance
MDIs	Microfinance Deposit-taking Institutions
MFI	The Micro Finance Institution
MoFPED	Ministry of Finance, Planning and Economic Development
MSC	The Microfinance Support Centre
MTIC	Ministry of Trade, Industry and Cooperatives
NDP	National Development Plan
NPA	National Planning Authority
NRM	National Resistance Movement
PBA s	Parish-Based Associations
PWD s	Persons with Disabilities
RDC	Resident District Commissioner
SITC:	Strategy information Technology Committee
UCA	Uganda Cooperative Alliance
UCSCU	Uganda Cooperative Savings and Credit Union
UMRA	Uganda Microfinance Regulatory Authority
VSLA s	Village Savings and Loan Association
LEGS	Local Economic Growth Support Project
IsDB	Islamic Development Bank
LLF	Lives and Livelihoods Fund



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“Jobs come from wealth, you cannot have jobs without wealth. Let us focus on creating wealth, and the jobs will follow.”

H.E. YOWERI KAGUTA MUSEVENI PRESIDENT OF THE REPUBLIC OF UGANDA

► Foreword

The 2024–2025 reporting period has been a defining year for the Microfinance Support Centre (MSC) as we continue to advance our mission of promoting financial inclusion, strengthening institutions, and increasing socio-economic transformation across Uganda. Our commitment to empowering SACCOs, cooperatives, and member-based financial institutions with the skills, systems, and resources necessary for sustainable growth has yielded tangible results, improving the lives of millions of Ugandans.

This year, MSC has not only expanded access to affordable credit and financial services but has also focused on building institutional and human capacity, recognizing that well-governed, resilient financial institutions are the cornerstone of sustainable development. Through hands-on training, mentorship, and strategic partnerships, we have strengthened governance, operational systems, and risk management practices across thousands of SACCOs and cooperatives, enabling them to serve their members more effectively.

Our impact is reflected in measurable outcomes: increased member savings, expanded entrepreneurial

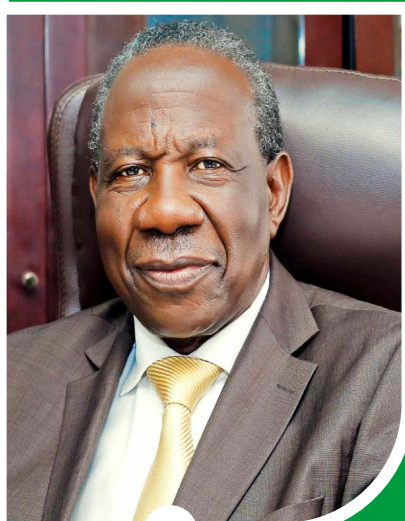
activities, and enhanced household incomes. Strategic partnerships with government agencies, regulators, and community organizations have amplified our reach, ensuring that MSC’s interventions are both inclusive and sustainable.

As we present this Annual Report, we reaffirm MSC’s dedication to nurturing capable, resilient, and socially responsible financial institutions that drive inclusive growth and empower communities. We remain committed to our vision of vibrant community financial institutions transforming livelihoods of the active poor.

John Peter Mujuni
Executive Director/ CEO



► Statement by the Shareholders



Hon. Matia Kasaija
Minister of Finance Planning
and Economic Development.



Hon. Haruna Kasolo Kyeyune
Minister of State for Microfinance
and Small Enterprises.



**Rt. Hon. Justine Kasule
Lumumba.** Minister for
General Duties.

As Shareholders, we take great pride in overseeing the work of the Microfinance Support Centre (MSC), a critical Government agency advancing Uganda's national aspiration of achieving higher household incomes, full monetization of the economy, and employment for sustainable socio-economic transformation as articulated in the National Development Plan IV (NDP IV).

During the 2024/2025 financial year, MSC continued to demonstrate strong relevance and effectiveness in delivering affordable financial services and capacity-building support across the country. Through deliberate and well-coordinated interventions, communities are steadily transitioning from subsistence livelihoods to vibrant, income-generating local economies. SACCOs, enterprise groups, and individual entrepreneurs are increasingly accessing capital, investing productively, and creating sustainable employment opportunities.

Notable progress has been registered in community mobilization, strengthening leadership and institutional resilience, and deepening strategic partnerships with local governments, faith-based institutions, and community structures. These efforts have enhanced financial inclusion, improved governance standards, and expanded access to Government programmes at the grassroots level. Furthermore, MSC's continued support in institutional development, compliance, and governance has laid a firm foundation for the sustainable growth of community-based financial institutions.

We commend the Board, Management, and staff for their commitment and professionalism. As Shareholders, we remain confident in MSC's strategic direction and reaffirm our commitment to supporting inclusive, resilient, and broad-based social-economic transformation for all Ugandans.



**“These achievements
reaffirm the pivotal role of
the Microfinance Support
Centre in advancing the
government’s vision of
inclusive socio-economic
transformation..”**



► Who We Are:

MSC is a Government-owned development finance agency, incorporated in 2001 as a company limited by guarantee. We facilitate access to affordable financial services and strengthen the management capacities of Cooperatives, Groups, and Village Savings and Loans Associations. We support the Government to deliver financial inclusion and livelihood-enhancing programs in line with national, regional, and international strategic development plans such as the National Development Plan, Uganda Vision 2040, Sustainable Development Goals (SDGs), and aspirations of the African Union (AU) and the East African Community (EAC). The Strategic Plan is also guided by Presidential Strategic Guidelines aimed at social and economic transformation. We trace our roots to the Rural Microfinance Support Project (RMSP, 2000-2008), which was implemented with support from the African Development Bank (AfDB).

MSC's overarching goal is to increase productivity, household incomes, and employment opportunities through the provision of affordable financial services. Since 2001, The Microfinance Support Center has modeled bold strategies to create social-economic transformation systems that support millions of vulnerable Ugandans to live quality lives through accessing affordable and appropriate financial support that creates social-economic transformation. MSC's efforts aim to build the resilient local capacity of households and communities we serve to take charge of their life purpose and financial well-being. Through affordable financial innovations, we create bold impact.

► Our Commitment:

Creating bold impact demands us to be highly accountable to the people we serve, the government of Uganda, and the partners that support the work we do. We do this by ensuring the delivery of quality, effective services and maximizing the impact of each shilling invested in our work. Over the years, we have established internal systems and values that we believe will spur us to an even greater level of accountability. We commit to adhere to our values. We commit to transforming the livelihoods of the economically active poor.

Vision

Vibrant Community Financial Institutions transforming livelihood of the active poor.

Mission

To enable Cooperatives and Community Groups access technical assistance, affordable microfinance and grant financing.

GOAL:

To grow community financial institutions into sustainable entities contributing to national savings and creating jobs.



Values

1. **Equity,**
2. **Integrity**
3. **People-Centeredness**
4. **Professionalism.**
5. **Creativity**



► Our Delivery Model:

We work through partnerships & Collaboration with RIs, & relevant MDAs, LGs, CBOs/NGOs, Local Leaders & Research Institutions...



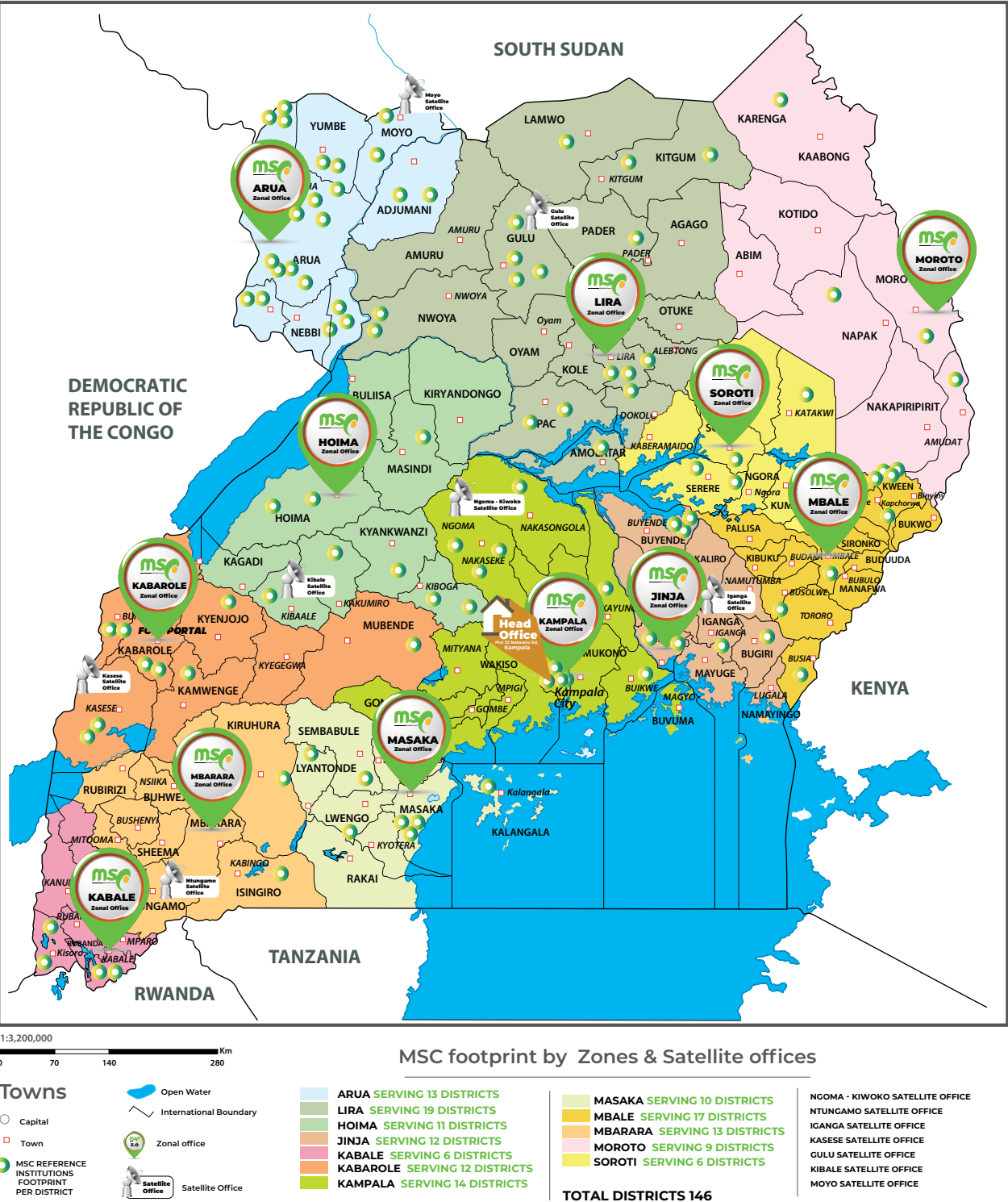
► What Makes Us Proud!

A network that reaches grassroots communities



THE MICROFINANCE SUPPORT CENTRE

FOOTPRINT BY ZONES, SATELLITE OFFICES & REFERENCE INSTITUTIONS



MSC provides services free of charge. Report any solicitation for payment or gifts at 0800201010.



► Governance

► Statement from Board Chair



It is my distinct privilege to present the Microfinance Support Centre's Annual Report for the 2024–2025 period. This year has reaffirmed MSC's pivotal role in advancing financial inclusion, institutional resilience, and socio-economic transformation across Uganda. Through its strategic interventions, MSC has empowered SACCOs, cooperatives, and member-based financial institutions with robust governance frameworks, operational excellence, and technical acumen, enabling them to deliver enduring value to their members and communities.

The milestones achieved during this reporting period underscore the effectiveness of MSC's programs and the breadth of its impact. SACCOs and cooperatives have been strengthened, and millions of members have benefited through. Financial inclusion (women, youth, PWDs), Job creation, Savings mobilisation and Strong institutions These outcomes demonstrate MSC's ability to translate strategic vision into tangible socio-affordable economic progress.

On behalf of the Board, I extend profound appreciation to the President of the Republic of Uganda, His Excellency Gen. Yoweri Kaguta Museveni Tibuhabwe, for his visionary leadership and steadfast commitment to financial inclusion, enabling MSC to thrive. I also convey sincere gratitude to the Minister of Finance, Planning and Economic Development, Minister of State, Microfinance, and Minister of General Duties, Office of the Prime Minister, for their continued support, policy guidance, and engagement, which have been instrumental in advancing MSC's mandate.

I further commend the Executive Director, management, staff, and our strategic partners for their unwavering dedication, professionalism, and exemplary execution. The Board remains resolute in providing strategic oversight, ensuring rigorous governance, and cultivating an enabling ecosystem that positions MSC to scale its impact, deepen institutional resilience, and drive inclusive, sustainable growth across Uganda.

Dr. Emmanuel Kiiza Aliba
Chairperson, Board of Directors
Microfinance Support Centre

► Board of Directors



DR. EMMANUEL ALIBA KIIZA
Chairperson



MR. WAISWA ROBERT MPAKIBI
Director



MR. KALULE JOHN
Director



AMB. AGNES KADAMA KALIBBALA
Director



DR. FREDRICK TABURA
Director



DR. DIANA NANDAGIRE NTAMU
Director



CPA. ODONGO AMAYA
Director



JOHN PETER MUJUNI
Executive Director/CEO

► **Visionary Governance for Sustainable Impact-**
The Outstanding Impact of the MSC Board

The Board of Directors of the Microfinance Support Centre (MSC) demonstrated exemplary leadership and stewardship throughout the year, anchored in the theme Visionary Governance for Sustainable Impact. Guided by the institution's Vision, Mission, and core Values, the Board provided strategic direction marked by foresight, integrity, and accountability. Through sound corporate governance practices, the Board set a strong tone at the top, fostering a culture of professionalism, ethical conduct, and performance excellence that enabled MSC to remain focused on its transformative mandate of inclusive finance and socio-economic empowerment.

In exercising its oversight role, the Board ensured that the strategy was translated into measurable and sustainable results. Through its Committees, it strengthened financial oversight, risk management, internal controls, and compliance, while safeguarding institutional assets and public resources. Continuous performance monitoring, policy enhancement, and strategic guidance empowered Management to respond effectively to an evolving operating environment, reinforcing resilience, operational efficiency, and alignment with national development priorities.

Collectively, the Board's visionary leadership delivered tangible strategic impact, positioning MSC as a trusted and high-performing company for enterprise growth, financial inclusion, and wealth creation. By aligning governance and oversight with values-driven leadership, the Board enabled MSC to increase outreach, strengthen stakeholder partnerships, and deliver lasting socio-economic outcomes. This year reflects the Board's unwavering commitment to sustainable growth, institutional credibility, and transformational impact for the communities MSC serves.

The Board of Directors maintained 100% attendance at all scheduled Board and Committee meetings during the year. This consistent engagement reflects the Board's dedication to effective governance, strategic oversight, and institutional accountability. Active participation in committee deliberations, particularly in GARC and FCBDS, SITC and HRC enabled MSC to uphold robust internal controls, strengthen risk management, and drive sustainable strategic impact in alignment with its Vision, Mission, and Values.

MSC continues to demonstrate national development value by converting opportunity into empowerment, financing into impact, and communities into centres of productivity.



► **Board Engagements**



During the 2024/2025 Financial Year, the Board Committees—Governance, Audit and Risk Committee (GARC), Finance, Credit and Business Development Services Committee (FCBDS), and the Human Resource and Compensation Committee (HRCC)—collectively reinforced the Microfinance Support Centre's governance mandate, ensuring accountability, transparency, and strategic alignment with its national mandate.

GARC provided independent oversight and objective assurance on internal controls, risk management, and compliance frameworks. Through a risk-based audit approach, the Committee proactively identified emerging operational and financial

risks, enabling timely mitigation measures and strengthening institutional resilience. Its sustained focus on advisory support, on-site engagements, and structured follow-ups enhanced staff capacity across all levels, embedding a strong culture of risk ownership, compliance, and fiduciary discipline.

Complementing this, FCBDS guided prudent financial management and strategic resource allocation, ensuring that investments translated into measurable socio-economic outcomes. Through effective oversight of credit operations and enterprise development initiatives, the Committee ensured that financial interventions remained impactful, inclusive, and aligned with national development

priorities. HRCC, on the other hand, strengthened institutional performance by promoting sound human resource policies, enhancing staff productivity, and fostering a high-performance culture anchored in integrity and professionalism.

Collectively, the Board Committees significantly contributed to MSC's operational efficiency, financial integrity, and long-term sustainability. Their commitment to robust governance, strategic foresight, and continuous improvement remains instrumental in driving inclusive financial services and advancing Uganda's socio-economic transformation agenda..

Appreciation to Board Directors: Outstanding Contribution of CPA Odong Amaaya and Dr. Fred Tabura

The Board further recognizes and deeply appreciates the outstanding service and contribution of Dr. Fred Tabura and CPA Odong Amaaya, whose leadership has been instrumental in shaping the strategic vision of the organisation. Their commitment, wisdom, and dedication have guided MSC through critical phases of growth, programme expansion, and institutional strengthening. As they retire from the Board, we convey our heartfelt gratitude for their invaluable service and wish them abundant success in their future pursuits. Their legacy will continue to inspire the Board and management as we advance the mission of transforming livelihoods through sustainable finance.

CPA Milton Odong Amaaya

The Microfinance Support Centre (MSC) conveys its profound appreciation to CPA Milton Odongo Amaaya for his exemplary, principled, and transformative service as a Director and as Chairperson of the Governance, Audit, Risk, and Compliance Committee (GARC) from May 2021 to July 2025.

Throughout his tenure, CPA Amaaya demonstrated exceptional leadership, unwavering integrity, and a deep commitment to institutional excellence. Under his astute stewardship, the GARC rigorously executed its mandate, decisively strengthening internal controls, entrenching a robust governance culture, and elevating the maturity and independence of the Internal Audit and Risk functions. His strategic foresight was instrumental in advancing ICT governance and cybersecurity oversight, safeguarding institutional assets, and reinforcing enterprise-wide risk management.

Notably, his leadership yielded enduring policy and structural reforms, including the refinement of Board and Committee charters, the modernization of audit frameworks, and the introduction of forward-looking governance instruments that will continue to anchor MSC’s accountability, transparency, and resilience.

MSC is immensely grateful for CPA Amaaya’s distinguished service, intellectual rigor, and unwavering dedication to sound corporate governance. His legacy is one of strengthened systems, enhanced credibility, and sustained institutional confidence. We wish him continued distinction and success in all his future endeavors.



CPA Odong received a Service Award from Dr. Emmanuel Aliba in recognition of his dedication and contribution to organizational excellence.



CPA Odong joins fellow Directors—Ambassador Kalibala (left) and Dr. Diana (right)—for a group photograph, symbolizing strong leadership alignment, collaboration, and a shared commitment to driving institutional excellence and strategic impact.



Dr. Fred Tabura is presented with a Service Award by Dr. Alliba Kiiza (Left) and John Peter Mujuni (Right), in recognition of his exemplary service, leadership, and contribution to institutional growth and excellence.

Dr. Tabura Fredrick Twesiime

Microfinance Support Centre (MSC) sincerely appreciates Dr. Tabura Fredrick Twesiime for his exemplary and dedicated service as a Board Director. Over six years on the MSC Board, and notably as Chairperson of the Finance, Credit, and Business Development Services Committee (FCBDS), Dr. Tabura provided strategic leadership, sound oversight, and invaluable guidance that strengthened MSC’s financial stewardship, institutional sustainability, and development impact.

Drawing on his deep expertise in economic policy, planning, development financing, and corporate governance, Dr. Tabura made a significant contribution to positioning MSC as a resilient and credible institution for financial inclusion, enterprise growth, and socio-economic transformation. His insights, integrity, and commitment to excellence greatly enriched Board deliberations and decision-making.

MSC is profoundly grateful for his service, professionalism, and unwavering dedication to advancing Uganda’s socio-economic transformation. We wish Dr. Tabura continued success and fulfillment in his distinguished public service and professional endeavors.

The Board remains steadfast in its commitment to uphold high governance standards, drive strategic partnerships, and champion innovation to unlock greater value for stakeholders.



► Strategic Leadership and Guidance from Shareholders

The Microfinance Support Centre (MSC) continued to benefit from the strong stewardship and strategic oversight of its shareholders during the 2024/2025 financial year. Through the Annual General Meeting (AGM) and other governance platforms, the shareholders provided invaluable policy direction and guidance that strengthened MSC’s mandate of promoting inclusive financial services and socio-economic transformation across Uganda. Their guidance during the AGM reaffirmed the government’s commitment to strengthening community-based financial institutions and expanding access to affordable finance. This strong shareholder leadership continues to inspire MSC’s efforts to deliver sustainable impact and empower communities.



Shareholders—Hon. Matia Kasaija, Minister of Finance, Planning and Economic Development, and Rt. Hon. Justine Kasule Lumumba, Minister for General Duties (center)—pose for a group photograph with the MSC Board of Directors, technical leaders from the Ministry of Finance and Economic Development, and the Senior Management Team of MSC led by John Peter Mujuni, reflecting strong multi-stakeholder collaboration in advancing institutional mandate and national development priorities.

675,096 jobs created

Share of jobs per sector



► External Audit

In accordance with the law, the Company’s principal external auditor is the Auditor General. The Office of the Auditor General executed its mandate independently of MSC and conducted the audit in compliance with the International Standards on Auditing. The external auditor’s annual audit plan was duly approved, and the scope of work was reviewed by the Board.

The External Auditor’s report was subsequently presented to the Board for consideration, together with the agreed recommended action plans.

► Statement by the **Executive Director**

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MSC has strengthened leadership across over 8000 SACCOs and cooperatives and enhanced financial literacy and enterprise skills for over 1.4 million members nationwide.

It is with great pride and a deep sense of responsibility that I present the Microfinance Support Centre’s Annual Report for the 2024–2025 reporting period. This year has demonstrated MSC’s unwavering commitment to fostering financial inclusion, institutional resilience, and socio-economic transformation across Uganda. Our work extends beyond the provision of affordable credit; it focuses on equipping SACCOs, cooperatives, and member-based financial institutions with robust governance frameworks, operational systems, and technical expertise to sustainably serve their members and communities.

Through our comprehensive capacity-building programs, mentorship initiatives, and strategic partnerships, MSC has strengthened leadership across over 8000 SACCOs and cooperatives and enhanced financial literacy and enterprise skills for over 1.4 million members nationwide. These interventions have led to improved loan recovery, stronger portfolio management, increased member savings, and the establishment or expansion of over 12,000 micro-enterprises, contributing directly to household income growth and broader community development.

I wish to express profound appreciation to the MSC Board for their strategic guidance, oversight, and commitment to governance excellence, which have been instrumental in steering the Centre toward the achievement of its mandate. I also extend sincere gratitude to our strategic stakeholders including government agencies, financial regulators, local authorities, academic institutions, and development partners. Whose collaboration and support have amplified the impact of MSC’s programs. Our resilience is reflected in a strong Total Asset base of UGX 342Bn and Total Equity of UGX 316Bn, underscoring

over 1.4M Members Nationwide
And **over 12,000 micro-enterprises**, contributing directly to household income growth and broader community development.



continued Government support for our dual mandate of affordable credit and capacity building. The net portfolio closed at UGX 126.2Bn, while Interest Income grew from UGX 15.5Bn in FY2024 to UGX 15.8Bn in FY2025, complemented by an increase in revenue from Islamic investments from UGX 1.1Bn to UGX 1.5Bn. These indicators affirm both the challenges of prudent provisioning and the enduring strength of our mission to foster financial inclusion, resilience, and sustainable transformation in the communities we serve.

The successes stories highlighted in this report are a testament to the dedication of MSC’s management and staff, the trust and engagement of our partners, and the commitment of SACCOs and members to embrace financial discipline and institutional growth. As we look forward, MSC remains resolute in its mission to strengthen institutions, expand access to financial services, and drive inclusive growth, ensuring that empowered financial institutions and informed communities continue to create lasting socio-economic transformation across Uganda.

John Peter Mujuni
Executive Director/CEO
Microfinance Support Centre



over 8000 SACCOs and cooperatives
and enhanced financial literacy and enterprise skills for over 1.4 million members nationwide.



► Senior Management Team



JOHN PETER MUJUNI

Executive Director/CEO



HELLEN PETRONILLA MASIKA

Deputy Executive Director



JOSEPH TUKAMUSHABA

Head, Business Technology/
Emyooga Secretariat



CLARE LOUISE ATUHEIRWE

Head, Human Resources



GIDSON AINAMANI

Head, Business Dev't Services



MARIAM NDIBUZA

Head, Legal Department



JULIET DOREEN ASINGWIRE

Head, Internal Audit Dept.



JOHN MWEBEMBEZI

Head, Finance and Admin



PETER KIBIRANGO

Ag. Head of Credit

► Sustainable Life, Bold Impact:

Our Impact Reach: **13,168,489 (Cumulative)**
Individuals reached with at least one of our services.

“I have a good life and an even better one ahead. My family is happy, our income has grown, and today we live with hope and confidence. We are financially stable, and for the first time, I know our future is secure.”

This voice reflects millions of Ugandan households whose livelihoods have been transformed through the over 8,000 community-led SACCOs Initiative, strengthened by the bold financial interventions of the Microfinance Support Centre (MSC). Across rural Uganda—where financial exclusion once hindered enterprise growth and household progress—families and communities are steadily moving from

subsistence to income generation, savings culture, enterprise expansion, and asset accumulation.

In 2024, leveraging local structures and grassroots delivery systems, MSC built into community enterprise systems, enabling Ugandans to start and scale businesses, access affordable credit, and build a foundation for lasting economic security. Through this model, SACCOs have become Trustable avenues of transformation—mobilizing savings, strengthening local economies, and opening pathways for millions to participate in the money economy.

MSC continues to demonstrate national

development value by converting opportunity into empowerment, financing into impact, and communities into centres of productivity. The result is visible: more stable households, improved income, more children in school, increased asset ownership, and dignified livelihoods for women, people with disabilities, youth, and rural entrepreneurs.

This is the story of transformation. This is the power of community finance. This is MSC—moving Uganda from vulnerability to prosperity, and from a good life today to a better one tomorrow -Transforming Livelihood of the Active Poor.



Over **7000**
SACCOS
Created



6.38 Million
New
members



675,096
Jobs
created



Client
Institutions
9199



MSC continues to demonstrate national development value by converting opportunity into empowerment, financing into impact, and communities into centres of productivity.



PILLAR I: Coverage and Depth

Coverage and Depth: Expanding the reach and depth of MSC services is crucial for ensuring the broadest possible inclusion of millions of economically active, low-income Ugandans, empowering them to sustainably lift themselves out of poverty. This pillar is supported by three strategic objectives:

- 1 Increase coverage and depth of microfinance services to the economically active poor
- 2 Strengthen the development impact of the MSC by integrating socio economic measures in its activities.
- 3 Support implementation of the GoU development agenda.



PILLAR II: Partnership Development

Partnership Development: MSC executes its initiatives via partner organizations, placing significant emphasis on bolstering the organizational capacity of client institutions. This enhancement is pivotal to the success of MSC's mission and operations, resulting in improved performance of clients, which fortifies MSC's overall impact. This pillar is supported by two strategic objectives:

- 1 Strengthen partnerships.
- 2 Strengthen client institutional capacity



PILLAR III: Product and Service Innovation

Product and Service Innovation: MSC is committed to expanding its market presence by introducing new products and services that complement its current offerings. By creating innovative business models and optimizing existing value chains with a client-focused approach, the MSC aims to reach new customers and penetrate new markets. This pillar is supported by one strategic objective:

- 1 Promote the development of innovative client-centric products and services.



PILLAR IV: Organizational Sustainability

Organizational Sustainability: MSC boosts organizational sustainability and ensures continued operation by enhancing governance, upgrading staff skills, increasing operational efficiency, improving portfolio quality, and mobilizing resources effectively. This pillar is supported by four strategic objectives:

- 1 Enhance business growth and efficiency for sustainability.
- 2 Improve resource mobilization and impactful usage of resources.
- 3 Improve governance, performance management and accountability.
- 3 Enhance organizational reputation.



In FY 2024/25, the Microfinance Support Centre (MSC) continued to deliver strong development value by expanding access to affordable finance, increasing financial inclusion, and strengthening the resilience of community-based financial institutions. A total of UGX 75.17 billion was deployed into the economy, comprising UGX 30.867 billion in low-cost credit to 523 client institutions (SACCOs, VSLAs, SHGs, and Cooperatives), and UGX 44.30 billion in seed capital grants to 115,396 parish-level Emyooga SACCOs. This performance represents 44% of the annual target of UGX 170BN and 134.5% of the previous year's performance, reflecting MSC's growing operational efficiency, improved absorption capacity, and sustained demand for its financing products. MSC's integrated support model

amplified this financial investment through strong technical assistance reaching 9,199 client institutions, resulting in strengthened governance structures, enhanced business systems, and increased institutional sustainability. This capacity-building effort reinforced the resilience of community financial institutions—an essential pillar of MSC's mandate—and accelerated growth in membership across client networks by 6.38 million new members (60%) to 17.0 million, positioning SACCOs and Groups as valuable platforms for mass participation in the money economy. This growth translated into deeper capitalization as share capital almost doubled (96%) from UGX 364.3BN to UGX 714.9BN, while member savings grew by UGX 85BN (8.78%) to UGX 538.9BN, demonstrating increased

confidence in these institutions and the outstanding impact of MSC's investment approach.

During the year, MSC interventions directly benefited 3,312,983 individuals, with women's participation rising substantially by 63% (769,606 to 1,239,703), signifying notable progress towards inclusive and gender-responsive financial access. Cumulatively, 11,548,489 beneficiaries have been reached since FY 2020/21—equivalent to 77% of total client membership—through financing, grants, training, mentorship, and business development support. These actions created 675,096 jobs, creating livelihood opportunities for women, youth, and persons with disabilities, and stimulating local enterprise growth across key value chains.

FY 2024/25,

A total of **UGX 75.17 billion** was deployed into the economy,

UGX 30.867 billion in low-cost credit to **523 client institutions** (SACCOs, VSLAs, SHGs, and Cooperatives)

UGX 44.30 billion in seed capital grants to 2215 parish level Emyooga SACCOs.

This performance represents

44% of the annual target of **UGX 170BN** and **134.5%** of the previous year's performance, reflecting MSC's growing operational efficiency, improved absorption capacity, and sustained demand for its financing products.

6.38 million new members (60%) to 17.0 million, positioning SACCOs and Groups as trustable institutions for mass participation in the money economy.

This impact affirms MSC's critical role in advancing the Government of Uganda's Socio-Economic Transformation Agenda, accelerating the vision of a modern and prosperous Uganda under Vision 2040, and operationalizing NDP IV priorities on wealth creation, financial inclusion, and enterprise development. Through targeted financing, institutional strengthening, and the Tenfold Growth Strategy last-mile delivery of affordable capital, MSC continues to demonstrate value as a strategic national

vehicle for driving inclusive growth, boosting household institutions, and nurturing resilient community financial institutions capable of sustaining long-term development.

MSC remains committed to scaling impact, innovating finance solutions, and positioning SACCOs and Groups as strong pathways for socio-economic prosperity and transformation at the grassroots.

“

MSC interventions directly benefited 3,312,983 individuals, with women's participation rising substantially by 63% (769,606) to 1,239,703, signifying notable progress



► Overall performance 2024/2025

“

Through the LEGS Project, the Government of Uganda, through the Microfinance Support Centre (MSC), has accelerated agricultural mechanization, value addition, and rural livelihoods. During FY 2024/25, 37 agro-machinery units—including 21 tractors, 2 milling machines, 3 boats, and 7 trucks—were delivered to farmer producer groups, strengthening their capacity to increase productivity and efficiency.

In FY 2024/25, the Microfinance Support Centre (MSC) delivered transformative socio-economic impact across Uganda by reaching 3,312,983 individual beneficiaries through its three core service lines: low-cost credit, seed capital, and technical assistance. Women comprised 37.4% (1,239,703) of beneficiaries, reflecting MSC's commitment to gender-inclusive empowerment. Youths and persons with disabilities (PWDs) accounted for 615,296 (19%) and 50,003 (1.5%) beneficiaries, respectively, demonstrating targeted support to groups often excluded from formal financial services. Cumulatively, MSC has reached 13,168,489 beneficiaries since inception, achieving 111% of the cumulative annual target of 11,855,506 for FY 2024/25. These results underscore MSC's continued success in delivering inclusive financial solutions, strengthening community-based institutions, and driving broad-based economic transformation.

By mobilizing financial resources alongside capacity-building support, MSC continues to create tangible and sustainable impact, enhancing livelihoods, expanding opportunities, and enabling communities—particularly women, youth, and PWDs—to actively participate in Uganda's socio-economic development agenda.

Institutional Strengthening of SACCOs and Community-Based Groups:

In FY 2024/25, 7,188 SACCOs and 904 VSLAs/SHGs were supported with training, mentorship, and peer learning to build resilient and well-governed community financial institutions. 3,888 Emyooga SACCOs (54.4%) conducted statutory audits, with 2,855 holding their AGMs, demonstrating financial discipline and member trust. Additionally, 1,476 SACCOs renewed operational certificates, bringing 3,840 SACCOs into compliance;

8 obtained permanent registration, and 3,832 received two-year certificates, ensuring legitimacy, access to funding, and continuous service delivery.

Through the Local Economic Growth Support (LEGS) Project—implemented by the Microfinance Support Centre (MSC) in partnership with the Ministry of Local Government and funded by the Lives and Livelihoods Fund (LLF) and the Islamic Development Bank (IsDB), the Government of Uganda continues to empower communities, SACCOs, and groups with sustainable livelihoods, enhanced productivity, and resilient enterprises. Through targeted support to grassroots enterprises, the project is driving job creation, increasing household incomes, and turning local potential into sustained economic prosperity and improved quality of life across communities. During FY 2024/25, 37 agro-machinery units—including 21 tractors, 2 milling machines, 3 boats, and 7 trucks were given to farmer producer groups, strengthening their capacity to increase productivity and efficiency.

A total of 14,192 farmers directly benefited from the equipment. Notably, 2,464 smallholder farmers adopted tractor ploughing, cultivating 5,434 acres and reducing land preparation costs by 53%, from UGX 225,000 per acre using manual methods to UGX 120,000 per acre. Furthermore, 494 farmers processed 1,506 MT of maize through locally established milling machines, while 10,680 farmers in the West Nile region received and planted assorted crops, including maize, groundnuts, cassava, soybean, and sunflower, promoting food security, crop diversification, and income growth.

These interventions reflect the Government's commitment to enhancing

agricultural productivity, lowering production costs, and creating sustainable livelihoods for rural communities. By equipping farmers with modern tools, facilitating value addition, and promoting access to quality inputs, MSC continues to support the realization of national development priorities under Vision 2040 and NDP IV, demonstrating the transformative, Tenfold Growth Strategy, impact of government-led agricultural investments.

In FY 2024/25, MSC's signature livestock projects significantly advanced household enterprise development and income generation. A total of 12,732 members of beneficiary households received targeted training in farm and enterprise management across priority livestock value chains, including piggery, rabbit keeping, and dairy production. Complementing this, 8,466 individuals were provided seed capital in the form of sheep, piglets, and cows, enabling breeding, multiplication, and sustainable enterprise growth.

Cumulatively, these initiatives directly benefited 31,388 individuals, strengthening community-level livestock enterprises, improving household incomes, and fostering participation in productive value chains. This demonstrates MSC's role as a catalyst for inclusive economic empowerment and its contribution to the Government of Uganda's socio-economic transformation agenda, supporting livelihoods, food security, and wealth creation.



A total of 12,732 members of beneficiary households received targeted training in farm and enterprise management across priority livestock value chains, including piggery, rabbit keeping, and dairy production.



6.38 million new members (60%) to 17.0 million, positioning SACCOs and Groups as solid engines for mass participation in the money economy.





► Thematic Programs:



A. Creating Impact through the locally organized community networks for sustainable development: The case of The Presidential Initiative on Wealth and Job Creation(Emyooga)

The Presidential Initiative on Wealth and Job Creation(Emyooga) has established itself as a transformative initiative in Uganda's financial and economic landscape. Through a strategic combination of seed capital, capacity building, and advisory support, the initiative has strengthened 115,396 parish-based SACCOs, mobilizing UGX 94 billion in internal savings and disbursing UGX 479.25 billion in seed capital, with UGX 123.13 billion repaid to sustain revolving funds.

Emyooga has accelerated financial inclusion, with over 81% of beneficiaries accessing loans to start and expand businesses, while 85% report increased household incomes—significantly above national averages. Key beneficiary groups, particularly youth and women, have realized tangible economic gains, contributing to the creation of 1.6Million jobs since inception.

By integrating underserved communities into formal financial systems and fostering self-sustaining enterprises, Emyooga has delivered measurable socio-economic impact, driving inclusive growth, entrepreneurship, and community resilience across Uganda.

During FY 2024/25, a total of 100,955 individuals from 115,396 parish-based Emyooga associations were reached with seed capital and comprehensive technical assistance, including training, coaching, mentorship, peer-to-peer learning, digitalization support, and on-site advisory services. These interventions have increased entrepreneurship, job creation, and increased household incomes, directly contributing to sustainable community development. Cumulatively, since 2019, MSC has reached 2,480,812 beneficiaries—including 1,069,435 males and 1,411,377 females—across 115,229 active parish-based SACCOs, through direct and indirect support. These results highlight MSC's strategic role in empowering communities, strengthening parish-level financial structures, and driving inclusive socio-economic transformation across Uganda.

HOW A SAVINGS GROUP, WITH SUPPORT FROM MSC, HELPED AKULLU BETTY PAY SCHOOL FEES AND BUY LAND

When Mrs. Akullu Betty Opio joined Miiwii Tii Savings and Credit Group in Kakonge Cell, West Division, Lira City, life was different. Her small second-hand clothing business, operating on only UGX 2 million capital, barely brought in daily sales. Many days would pass without selling a single item — yet she had to meet household needs, pay transport, and ensure her children remained in school. The struggle was constant. “They used to chase my children from school twice a term because my husband contributed very little,” she recalls.

Everything began to change in 2020 when the group was identified and supported by the Microfinance Support Centre (MSC). The 35-member group (21 females and 14 males) has since received three loan cycles amounting to UGX

70 million, alongside training in VSLA methodology and financial literacy, equipping members to manage funds, grow enterprises, and build resilience.

With access to affordable credit through her savings group, Betty secured her first loan of UGX 3 million, relocated her business, and saw immediate improvement in sales. Motivated by progress, she took a second loan of UGX 3.5 million, expanded into wholesale trading, and steadily grew her capital. Today, her business is worth over UGX 50 million, generating strong daily sales. “On a good day, I can go back home with about UGX 4 million,” she proudly shares.

With her rising income, Betty has transformed her life and that of her family. She now pays school fees consistently — no more children being sent home

— and in 2024 achieved a milestone she once thought impossible: purchasing land worth UGX 27 million in Omondo, a fast-growing residential area in Lira City. “My biggest achievement is owning land in my own name at 44,” she says with fulfillment.

Betty's story reflects how accessible and affordable financing through MSC-supported savings groups is driving household transformation, women's empowerment, and economic mobility—one member at a time. Through collective saving and responsible borrowing, lives are changing, dignity is being restored, and families like Betty's are stepping confidently into a better future.

Key Emyooga Programme Milestones

The Emyooga initiative continues to register transformative impact as a flagship initiative for inclusive socio-economic empowerment and wealth creation across Uganda.

• Expanded Access to Affordable Finance

The programme has significantly increased access to affordable credit through SACCOs, Associations, and organized groups—unlocking capital for micro and small enterprises and strengthening community-led financial systems.

• Strengthened Enterprise Development and Value Addition

Through targeted support, Emyooga has enhanced group-based enterprise development and promoted value addition, resulting in more competitive, resilient, and market-oriented local enterprises.

• Deepened Financial Inclusion

The initiative has brought previously underserved and unbanked populations into the formal financial ecosystem, strengthening savings culture, credit uptake, and financial literacy at the grassroots.

• Accelerated Income Growth and Job Creation

Strategic investments have boosted household incomes and increased job creation, contributing to improved livelihoods and driving sustainable socio-economic transformation.



“My biggest achievement is owning land in my own name at 44,” she says with fulfillment.



B. Changing lives through the Local Economic Growth Support (LEGS) Program

Through the LEGS Project, the Government of Uganda, through the Microfinance Support Centre (MSC), has accelerated agricultural mechanization, value addition, and rural livelihoods. During FY 2024/25, 37 agro-machinery units—including 21 tractors, 2 milling machines, 3 boats, and 7 trucks—were delivered to farmer producer groups, strengthening their capacity to increase productivity and efficiency.

A total of 14,192 farmers directly benefited from the equipment. Notably, 2,464 smallholder farmers adopted tractor ploughing, cultivating 5,434 acres and reducing land preparation costs by 53%, from UGX 225,000 per acre using manual methods to UGX 120,000 per acre. Furthermore, 494 farmers processed 1,506 MT of maize through locally established milling machines, while 10,680 farmers in the West Nile region received and planted assorted crops, including maize, groundnuts, cassava, soybean, and sunflower, promoting food security, crop diversification, and income growth.



MSC Loans Reshaping Banana & Irish Potato Markets: The Harugongo Tukwatanise Transformation Story

In the hills of Harugongo Subcounty, Kabarole District, smallholder farmers have been growing bananas (matooke) and Irish potatoes for generations. For many households, these crops are not just food—they are income, dignity, and hope. Yet for years, farmers in Harugongo Tukwatanise Group, composed of 38 committed members (21 men and 17 women), could not fully reap the fruits of their labour. Without reliable transport, produce was sold to nearby markets at giveaway farm-gate prices or lost to post-harvest spoilage due to delays and ripening in transit. Middlemen dictated prices, often offering only UGX 10,000–15,000 per batch of matooke, while better-paying markets in Kampala, Bundibugyo, and Nyahuka remained far out of reach.

Everything changed in 2023 when the Microfinance Support Centre (MSC) linked up with the group. Through MSC's affordable financing and training, the farmers secured their first loan of UGX 30 million, investing in production to increase yields. But as volumes grew, so did the need for better market access. In 2025, leveraging the growing trust and repayment record, the group obtained a second loan of UGX 120.5 million under the LEGS Agro-Machinery Facility, enabling them to purchase an Isuzu Juston truck—a game changer that would redefine agricultural marketing in the region.

With collective transport now in their hands, Harugongo Tukwatanise farmers broke free from middlemen and began supplying high-value markets in Kampala—Kalerwe, Kasubi, Wandegaya, and Nakawa—alongside Fort Portal and Bundibugyo. Prices doubled almost instantly. A bunch

of matooke that once fetched UGX 10,000–15,000 now earns UGX 25,000–30,000, depending on size and quality. The truck restored bargaining power, expanded market reach, and unlocked prosperity not only for members but for the wider farming community.

The transformation is evident in incomes and savings behaviour. Weekly group savings have grown from UGX 1.2 million to nearly UGX 3 million, signalling improved cash flow for households. In May 2025 alone, profits from buying produce from non-members and selling to distant markets generated UGX 3.67 million, proving that the truck is not just a business asset, but a community resource creating shared wealth.

During the International Cooperatives Day Celebrations in Fort Portal City, Kabarole District LC V Chairman, Richard Rwabuhinga, commended MSC for strengthening farmer enterprises with agricultural machinery, applauding Harugongo Tukwatanise as a model of how financing can accelerate rural economic transformation.

To safeguard their gains, the group has instituted systems for proper truck maintenance, service scheduling, and driver management, ensuring the sustainability of the investment and the continuity of benefits for current and future members.

Impact at a Glance

- **Loan Support from MSC:** UGX 150.5 million total (production + agro-machinery)
- **Market Reach Expanded:** From local markets to Kampala, Bundibugyo, and DRC border points
- **Farm Gate Prices Doubled:** From UGX 10,000–15,000 → UGX 25,000–30,000

- **Savings Growth:** UGX 1.2 million → UGX 3 million weekly
- **Enterprise Profit:** UGX 3.67 million in May 2025 alone
- **Community Impact:** Non-member farmers also benefit through produce aggregation

Harugongo Tukwatanise Group stands today as a powerful example of how affordable credit and appropriate machinery—made possible through MSC—can unlock markets, raise incomes, reduce post-harvest losses, and transform rural economies. By placing transport and market access directly in the hands of farmers, MSC is not only financing agriculture it is financing, opportunity, and economic mobility.

2,464
smallholder farmers
adopted tractor
ploughing



C. Transforming household incomes and status through financial inclusion

Bricklaying Becomes a Pathway to Prosperity – How MSC Loans Transformed the Life of Kusiima Marion

Through targeted financial inclusion and enterprise development, the Microfinance Support Centre (MSC) continues to enable grassroots entrepreneurs to rise from survival-level enterprises to sustainable income-generating businesses. Kusiima Marion, a 35-year-old single mother of three from Mahoro Village in Kanungu District, is a testament to how affordable credit can unlock economic potential and uplift households.

For nearly two decades, Marion earned a living through brickmaking, producing small quantities that yielded only UGX 1,000–5,000 per cycle. Limited capital, dependence on expensive middlemen for firewood, and low selling prices held her back, forcing her to sell bricks at UGX 120—well below the market rate. Meeting family needs, especially school fees for her children, was a daily struggle.

In 2025, Itembezo Coffee Farmers Group, where she is a member, accessed UGX 10 million in credit from MSC, enabling Marion to secure a loan of UGX 700,000 to scale her enterprise. With strategic use of the funds—purchase of firewood in bulk and expansion of production—she increased her output to 20,000 bricks per cycle. After selling 18,500 bricks at UGX 185 each, she earned UGX 3.4 million in sales and UGX 1.29 million in net profit, marking her first major business breakthrough. She has since expanded production to 25,000 bricks, with plans to reach 30,000 bricks in the subsequent cycle.

The impact is visible and life-changing. Marion now pays school fees on time, meets household needs confidently, and has strengthened her savings capacity. Business management training offered by MSC enhanced her financial discipline, record keeping, and reinvestment culture key drivers of her rapid growth. “The training opened my eyes. I now separate business income from home needs and can plan for the future,” she shares proudly.

Beyond her household, the enterprise has become a local avenue. Increased production has generated temporary employment for youths who support molding, drying, and transporting bricks, providing income to several families. Her improved savings contribute to a stronger capital base for the Itembezo Coffee Farmers Group, enabling other members to access credit and invest in their businesses. Her progress has inspired fellow women to join savings groups, reinforcing community confidence in microfinance as a pathway to development.

Marion's success reflects MSC's core impact—empowering micro-entrepreneurs, especially women, to transition from subsistence to growth enterprises, enhance household welfare, and contribute to local economic transformation. Her story demonstrates how affordable credit, backed by financial literacy, can unlock dignity, self-reliance, and generational progress.

► **Skilling SACCOs for Sustainable Growth: Driving Financial and Institutional Strengthening Across Uganda**

During the 2024–2025 reporting period, the Microfinance Support Centre (MSC) continued its strategic mission of strengthening SACCOs, cooperatives, and member-based financial institutions across Uganda. Beyond providing affordable credit, MSC focused on building institutional capacity and human capital, ensuring that client organizations operate efficiently, manage risks, and sustainably serve their members over the long term.

Over the year, MSC's interventions reached more than 3.3 million beneficiaries through conventional SACCOs, producer cooperatives, Area Cooperative Enterprises, Emyooga Model SACCOs, and VSLAs. Key initiatives included leadership and governance training for over 44,000 SACCO leaders, the development of 2,809



technical officers as master trainers, and foundational financial literacy programs reaching 1,439,970 members of parish-based associations and Emyooga SACCOs. These programs strengthened governance frameworks, operational processes, and financial management practices, creating a robust foundation for sustainable institutional growth.

MSC's hands-on, field-oriented methodology emphasized practical training and onsite support. Trainers and field officers conducted regular visits to SACCO offices and branches, identifying challenges in loan recovery, savings mobilization, and portfolio management, and providing tailored solutions. Strategic partnerships with local governments, and academic institutions ensured

SACCOs reported an average reduction in delinquency of 15–20%, alongside improved loan recovery and risk management.

alignment with national standards and the integration of best practices in governance, risk management, and financial inclusion. Field extension officers reinforced training in remote parishes, supporting portfolio monitoring, internal controls, and compliance adherence, establishing a sustainable support systems across Uganda's microfinance sector.

The impact of MSC's interventions during the reporting period was measurable and substantial. SACCOs reported an average reduction in delinquency of 15–20%, alongside improved loan recovery and risk management. Members' annual savings increased by an average of UGX 250,000, strengthening share capital and financial resilience. Entrepreneurial initiatives supported by trained SACCOs resulted in over 12,000 micro-enterprises being established or expanded, generating employment and contributing to an estimated 25% increase in household incomes among participating members. Progress was rigorously tracked using portfolio-at-risk metrics, savings growth, business outputs, and household asset ownership patterns.

Across Uganda, MSC continued to cultivate a nationwide network of capable, resilient institutions, driving financial inclusion, strengthening portfolios, expanding membership, and delivering measurable socio-economic benefits to communities.



Over the year, MSC's interventions reached more than 3.3 million beneficiaries through conventional SACCOs, producer cooperatives, Area Cooperative Enterprises, Emyooga Model SACCOs, and VSLAs. Key initiatives included leadership and governance training for over 44,000 SACCO leaders, the development of 2,809 technical officers as master trainers, and foundational financial literacy programs reaching 1,439,970 members of parish-based associations and Emyooga SACCOs.

Transforming household incomes and status through Special projects

In FY 2024/25, MSC's signature livestock projects significantly advanced household enterprise development and income generation. A total of 12,732 members of beneficiary households received targeted training in farm and enterprise management across priority livestock value chains, including piggery, rabbit keeping, and dairy production. Complementing this, 8,466 individuals were provided seed capital in the form of sheep, piglets, and cows, enabling breeding, multiplication, and sustainable enterprise growth



Advancing Inclusive Finance: Empowering the Unserved for Sustainable Transformation

During the 2024/2025 financial year, the Microfinance Support Centre (MSC) strategically advanced its mandate of increasing financial inclusion by deliberately targeting population segments that have historically remained outside conventional financial systems. Recognizing that inclusive growth requires intentional outreach, MSC designed and implemented tailored interventions to integrate vulnerable and underserved groups—including persons of short stature, participants in the night economy, and returnees—into the formal economic space.

Through a combination of targeted financial grants, enterprise development support, and structured capacity-building programmes, MSC empowered these groups to transition from marginalization to meaningful economic participation. Beneficiaries were equipped with practical skills in financial literacy, business management, savings culture, and value addition, enabling them to establish and sustain viable income-generating enterprises. In addition, MSC facilitated access to networks, markets, and cooperative structures, strengthening their ability to scale operations and build resilience.

These interventions have yielded tangible socio-economic outcomes. Beneficiaries are reporting improved household incomes, increased savings, and enhanced capacity to create employment within their communities. More importantly, these groups are now actively participating in the money economy, contributing to local economic growth and national development.

MSC's inclusive approach underscores its role not merely as a financing institution, but as a transformative vehicle for equity and empowerment. By ensuring that no Ugandan is left behind, MSC continues to drive a people-centered development agenda that aligns with national priorities for sustainable socio-economic transformation.



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► **Strategic Partnerships**
Driving MSC's Mission in
2024–2025

During the 2024–2025 reporting period, the Microfinance Support Centre (MSC) reinforced its mandate to promote financial inclusion, institutional strengthening, and socio-economic transformation through strategic partnerships that amplified its reach, efficiency, and impact. Recognizing that sustainable development cannot be achieved in isolation, MSC deliberately collaborated with government agencies, financial regulators, local governments, academic institutions, civil society organizations, and private sector actors to create an enabling environment for SACCOs, cooperatives, and member-based financial institutions.

These partnerships enabled MSC to extend its technical and financial support to more communities while ensuring that interventions adhered to national standards and global best practices. Collaborations with district local governments and regulators facilitated alignment with statutory requirements, enhancing compliance, governance, and risk management within SACCOs. Engagements with technical institutions strengthened the design and delivery of capacity-building programs to mentor SACCO leaders and members at the parish and district levels. Partnerships with reference institutions and civil society organizations, faith based networks, cultural institutions, and community facilitators ensured deep penetration into remote and underserved areas, providing continuous on-the-ground support and reinforcing sustainable financial literacy and enterprise development.



Strategic engagement with faith leaders to advance socio-economic transformation, promoting financial inclusion, mindset change, and sustainable wealth creation within communities. Dr. Emmanuel Kiiza Aliba engages the leadership of the Church of Uganda in the Bunyoro Region, strengthening partnerships that drive grassroots empowerment and inclusive development.



Strengthening Strategic Partnerships for Inclusive Wealth Creation Her Excellency Major (Rtd) Jessica Alupo, Vice President, reaffirmed the Government's commitment to socio-economic transformation by joining the MSC-supported Veterans Emyooga SACCO in Katakwi during the MSC-led Community Outreach on Wealth Creation. This high-level engagement, alongside district leadership and SACCO members, underscores the power of strategic partnerships in advancing MSC's vision—deepening financial inclusion, strengthening SACCOs, and accelerating sustainable wealth creation at the grassroots.



The value of these partnerships is evident in measurable outcomes across MSC's interventions. SACCOs benefited from improved operational systems, reduced delinquency rates, stronger portfolio management, and increased member savings. Members experienced enhanced access to credit, improved financial literacy, and greater participation in decision-making processes. Entrepreneurial initiatives supported through partnership-enabled programs resulted in micro-enterprises being established or expanded, generating employment and increasing household incomes.

By leveraging complementary strengths, resources, and expertise, MSC's partnerships created a multiplier effect, expanding the impact of its programs beyond what could be achieved independently. These alliances also ensured sustainability, with trained master trainers, community facilitators, and institutional support networks embedding knowledge, skills, and operational excellence across Uganda's microfinance sector.

Strategic partnerships have been instrumental in enabling MSC to achieve its 2024–2025 mandate, providing the collaborative framework, technical expertise, and operational support necessary to build resilient, inclusive, and high-performing financial institutions that drive lasting socio-economic transformation across Uganda.



These partnerships enabled MSC to extend its technical and financial support to more communities while ensuring that interventions adhered to national standards and global best practices.



► MSC Officially Joins AADFI as a Fully Ratified Member

The Microfinance Support Centre (MSC) reached a significant institutional milestone in May 2025 when it was officially admitted as a fully ratified member of the Association of African Development Finance Institutions (AADFI) during the 51st Ordinary General Assembly held in Abidjan, Côte d'Ivoire. The high-level gathering, hosted at the Sofitel Hotel, brought together leading development finance institutions from across the continent to deliberate on Africa's development finance agenda.

The ratification was marked by the ceremonial handover of the membership certificate by Dr. Patricia Ojangole, President of AADFI and Managing Director of Uganda Development Bank (UDB). The certificate was received on behalf of MSC by Ms. Yvonne Nabasa, Senior Manager, Strategy, Planning and Research, symbolizing MSC's formal entry into a continental network of institutions driving Africa's economic transformation.

The ratified membership opens new opportunities for regional collaboration, peer learning, and institutional capacity building. Through AADFI, MSC will access knowledge-sharing platforms, research initiatives, and policy dialogues aimed at strengthening development finance practices across Africa. This achievement positions MSC among Africa's leading development finance institutions and underscores Uganda's growing leadership in innovative, inclusive financial solutions that support socio-economic transformation and sustainable livelihoods.



Through AADFI, MSC will access knowledge-sharing platforms, research initiatives, and policy dialogues aimed at strengthening development finance practices across Africa.

► Strategic Partnerships Strengthening Institutional Excellence

During the 2024/2025 financial year, the Microfinance Support Centre (MSC) strengthened its institutional capacity and professional networks through strategic engagements with key professional bodies and academic institutions. These partnerships have played a vital role in promoting knowledge exchange, professional development, and enhancing the visibility of MSC within Uganda's governance and development landscape.

MSC actively engaged with the Human Resource Managers' Association of Uganda to advance human capital development and strengthen leadership practices within the institution. This collaboration supports MSC's commitment to maintaining a skilled and professional workforce capable of delivering impactful development finance services.

The Centre also continued its collaboration with the Association of Chartered Certified Accountants (ACCA), reinforcing sound financial management, accountability, and adherence to internationally recognized financial standards that underpin MSC's operational credibility.

In the areas of communication and institutional visibility, MSC collaborated with the Public Relations Association of Uganda to enhance strategic communication, media engagement, and institutional storytelling.

MSC also built stronger linkages with academia through collaboration with Makerere University Business School, fostering research collaboration, knowledge sharing, and professional capacity development in areas related to finance, entrepreneurship, and economic development.

Additionally, engagement with the Rotary International fraternity provided opportunities for leadership dialogue, networking, and collaboration with development actors committed to community transformation.

Through these partnerships, MSC continues to strengthen institutional excellence, professional standards, and collaborative platforms visibility that advanced its mission of promoting inclusive economic growth and empowering communities across Uganda.





► Skilling Human Resources for social economic transformation

At the Microfinance Support Centre (MSC), we recognize that our greatest asset is our Staff. Through the MSC Human Resources Department, staff are strategically developed to become agent of socio-economic transformation by equipping them with the skills, knowledge, and leadership capacity required to build resilient institutions and communities.

Our HR-driven initiatives focus on continuous professional development, performance management, and leadership training, ensuring that staff are not only effective in delivering services but also innovative in designing solutions that address the evolving needs of SACCOs, enterprises, and households. By fostering a culture of accountability, collaboration, and results-oriented leadership, MSC empowers its workforce to drive institutional resilience and strengthen the operational capacity of the communities and organizations we support.

During the reporting period, targeted interventions—including skills enhancement programs, mentorship, and cross-functional learning opportunities—have prepared staff to lead initiatives that improve financial inclusion, strengthen SACCO governance, and expand access to affordable financial services. MSC staff are thus equipped to implement programs that deliver measurable impact, optimize institutional performance, and sustain socio-economic transformation at scale.

By investing in human capital, MSC ensures that its mission to transform livelihoods is anchored on capable, motivated, and visionary leaders who can replicate and sustain impact across Uganda's communities. This strategic approach positions MSC not just as a financier, but as a development institution powered by empowered people driving enduring change.



Targeted interventions—including skills enhancement programs, mentorship, and cross-functional learning opportunities—have prepared staff to lead initiatives that improve financial inclusion, strengthen SACCO governance, and expand access to affordable financial services.

MSC staff participated in strategic team building activities aimed at strengthening collaboration, enhancing performance, and fostering a unified culture of excellence. The engagement reinforces institutional cohesion and aligns teams towards the shared mandate of driving wealth creation and sustainable socio-economic transformation



**Strengthening Visibility
and Brand Reputation**



MICROFINANCE SUPPORT CENTRE JOINS CONTINENTAL BODY

By Aloysious Kasoma

The Microfinance Support Centre (MSC) has been ratified as a full member of the Association* of African Development Finance Institutions (AADFI).

This milestone positions MSC to significantly enhance its institutional capacity, tap into technical support and align with best practices in Africa's rapidly evolving development finance ecosystem.

The ratification was announced during the 51st Ordinary General Assembly of

KEY HIGHLIGHT

A key highlight of the assembly was a special session that focused on the role of DFIs in creating bankable infrastructure project pipelines in Africa. Participants emphasized the importance of

Participants emphasised the importance of aligning development projects with regional and international agreements, increasing private-sector participation, enhancing institutional capacity and building strategic partnerships. Tadeo Atuhura, the communication manager for the Microfinance Support Centre, said: "This ratified membership is more than an institutional achievement – it's a powerful story of Uganda's rising influence in Africa's development finance space. As MJC joins the AADFI family, we are not just gaining a seat at the table; we are amplifying the voices of the communities we serve and showcasing those of the region."



only a boost for the institution, but also for Uganda's broader national ambition to integrate more deeply with Africa's development finance architecture.

FOREX RATES

CURRENCY	BUY	SELL
US DOLLAR	3646	3656
EURO	3834	3845
POUND	4606	4619
KENYA SH	28.28	28.29
TZ SH	1.5	1.5
DIRHAM	992.6	995.3
S.A.RAND	160	240
JAPAN YEN	23.7	23.7
RWANDESE FRANC	2.6	3.4
DOLLAR SMALLER & OLD	3400	3690

COMPILED BY ALI TWAHA
RATES ARE SUBJECT TO CHANGE

ABSA APPOINTS WANDERA AS INTERIM MANAGING DIRECTOR



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FARMERS URGED TO EMBRACE MODERN METHODS

By Joseph Bahingwire

Vice-President Jessica Alupo has advised farmers to embrace modern methods so as to create their own wealth.

She made the call while handing over tractors to co-operative societies at Uganda Manufacturers Association Show Grounds in Kampala last week.

Alno said this is in a bid to enhance agricultural productivity and modernise farming, under the Local Economic Government Support (LEGS) project. It is a government initiative through the Microfinance Support Centre (MSC) and the Ministry of Local Government, supported by the Islamic Development Bank. This is part of the President's mandate for socio-economic transformation, aimed at enabling people to create wealth through agriculture, and MSC's mission to improve the livelihoods of the economically-active poor across the country by transforming their lives.

Alupo said the distribution of tractors to co-operatives is a pivotal milestone in empowering farmers to access modern tools, improve yields, and create a ripple effect of economic growth within their communities.

"I urge you to view these machines, not just as tools, but as instruments of wealth creation. Please use them to provide jobs, increase household

to provide jobs, increase household incomes, and above all, transition into the money economy, as a mission in the National Resistance Movement government manifesto and under the President's wise leadership on social economic transformation," she said.

Adup emphasised that agriculture is the backbone of Uganda's economy, providing livelihoods for over 70% of the population and contributing significantly to the country's gross domestic product.

"However, the full potential of



BETWEEN THE LINES

Local government minister Raphael Magyezi said the Local Economic Government Support project is operating in 17 districts, but in phase two, it will expand to 42 districts next year.

affordable credit, the Microfinance Support Centre is driving social economic transformation and empowering Ugandans to create wealth and sustainable livelihoods," she said.

The recipients of the agro-machinery are Sao Zirowe SACCO from Luwero district, Albertine Interventions for Development Limited (a small and medium enterprise), Adjumani Tree Nursery Limited SACCO, Ongongoja Fruit Growers' Co-operative Society Limited from Katakwi, Kijula SACCO from Kabarole, and Arumundo Mixed

Local government minister Raphael Magyezi expressed happiness that the Government, through his ministry, has launched a project worth about sh16b to support smallholder farmers in purchasing agricultural tractors.

He noted that the scheme has specific terms, saying the Government will subsidise up to 60% of the cost for farmers purchasing tractors and the attached implements, meaning the farmer will only be required to pay 40% of the total cost.

Magyezi said UEGS is operating in 17 districts, but in phase two, it will expand to 42 districts next year.

Peter John Mujuni, the executive director of MSC, said microfinance is the engine of transformation, particularly in rural communities, and emphasised that this progress has been made possible through partnerships and savings and credit co-operative societies.



THE MSC

Impact Handbook

Transforming Livelihood through affordable Finance





Wealth and Job Creation

Protecting The Gains

BUGANDA

IMPACT STORY

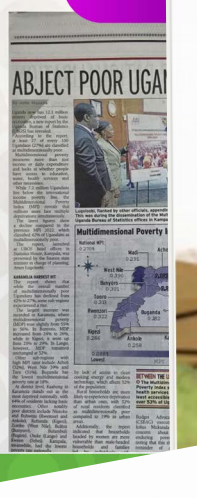




New

FROM The New Vision Friday, March, 27TH 2026

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The Microfinance Support Centre

398 followers
7h ·

In Butambala District, we handed over a UGX 260 million dummy cheque to Emyooga SACCOs as additional seed capital—unlocking enterprise expansion, driving job creation, and accelerating wealth creation at the grassroots. ...more





NEW VISION Monday, April 7, 2025

KARACUNA SACCOS GET SH450M GRANT

By Aloysious Kasoma

The Government has allocated a sh450m grant to support Karamoja's Karacuna Savings and Credit Cooperative Organisations (SACCOS), aiming to enhance financial inclusion, improve livelihoods and drive economic transformation.

As part of this initiative, 10 new savings SACCOS received funding, benefiting groups of former Karamoja warriors (Karacuna) across the region.

The northern Karacuna SACCOS, comprising groups from Kalenga, Kabongo, Kotido and Ahim, were on March 26

SACCOS certification handover last week, finance minister Matia Kasajja, urged the Karacuna to abandon cattle rustling and focus on livestock farming and agriculture to secure sustainable livelihoods.

"You should stop raiding and fighting. If you have land, use it wisely — determine how many cattle you can raise and take good care of them. Feed them well, provide water, grass and plenty of salt. In the next two to three years, your lives will change significantly," Kasajja advised.

The minister further pledged to engage President Yoweri Museveni and the ministries of agriculture and forestry, to



Kasajja

ongoing transformation, noting that they have established nine SACCOS, one in each district.

"Dialogue is our weapon. We will

vulnerable livelihoods, often resorting to raiding as a means of survival.

He further revealed that the SACCOS have collectively saved up to sh700m, with Amudat leading at sh114m and Abim at sh20m across the nine districts where these financial groups operate.

Loberezi cautioned the Government not to politicise the development track on and enhance in the region.

GOVT COMMITMENT

Karamoja affairs minister Peter Lokeris, emphasized the Government's commitment to transforming the region through economic empowerment.

"We are working on transforming Karamoja through economic initiatives. We decided to allocate funds to organised groups, train them in financial management and help them



Hot Seat

CONTRIBUTION OF THE MICROFINANCE SUPPORT CENTER (MSC) TO THE SOCIAL ECONOMIC TRANSFORMATION AGENDA

MONDAY - 1ST SEPT. 2025
TIME: 7:00 PM - 8:00 PM

GUEST



GIDSON ANAMANI
HEAD BUSINESS DEVELOPMENT SERVICES(BDS)

HOST



PATRICK KAMARA

Listen Live at www.kfm.co.ug
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Affordable Finance

Strategic Impact of Microfinance Support Centre on Uganda's Economy



Mobilising communities for wealth creation and social economic transformation. Communities in the West Nile Region convene to gain leadership on future financing.

The Microfinance Support Centre (MSC) has emerged as a powerful government agency for socio-economic transformation in Uganda, playing a vital role in expanding financial inclusion, building strong community financial institutions, and empowering small businesses and unlocking new opportunities for rural communities.

Through its targeted interventions, it is affordable and inclusive financing, building strong SACCOs and groups, MSC has become one of the country's most strategic vehicles of delivering affordable finance to its target areas. It is the economically active poor, many of whom were previously excluded from formal financial systems.

MSC's programs have proven to

investment in Uganda's people and its future prosperity. "Government funding to MSC is not expenditure — it is an investment. We are investing in the people, in jobs and in growth. It is a strategic investment that will pay dividends for years to come to the people who need it most."

"The Government wants you to 'do' what its programs as youth because they are intended to get all of you out of poverty which is a pressing reality. The Government is spending interest-free seed capital through the wealth creation initiative Emyooga.

"If you get the idea, you can buy goats, even a calf, or start a small business and start earning and living off the land."

John Peter Mugerwa, the executive director and chief executive officer of MSC, schools

DRIVING FINANCIAL INCLUSION

Over the years, MSC has significantly expanded its reach and impact to over 122 million Ugandans, including smallholder farmers, women entrepreneurs, youth groups, artisans, cottage industries, market vendors, and other informal sector workers. MSC has supported over 100,000 projects, of which 70% of them are in the agricultural value chain, making many households to transition from subsistence to commercial farming.

Uganda's financial inclusion landscape has shifted considerably, thanks partly to MSC's grassroots programs like Emyooga, formal financial inclusion rate rose from 35% in 2013 to 65% by 2023, with a notable increase in financial access ownership in rural areas, rising to 72% in 2023.

However and youth — two groups historically marginalized from financial services. The

Advancing Agricultural Mechanization

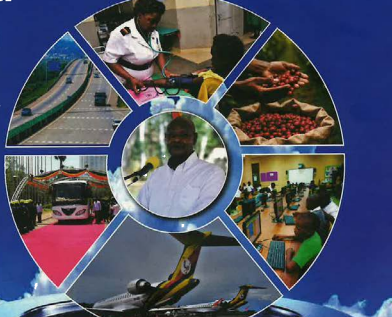
While the Microfinance Support Centre (MSC) is widely known for its financial services, its reach now extends to the agricultural sector through the Local Economic Growth Support (LEGS) project, the Development Bank to modernize and improve agricultural production.

The LEGS project has provided farmers in 17 districts with tractors and agro-processing equipment at highly subsidized rates. Under the arrangement, the project is set to expand to 42 more districts in the coming years.

Vice President Juma Mugaha has described the LEGS project as a game-changer for rural farmers. This project is not just about machines — it is about raising the productivity of rural farmers. Mugaha said, "The importance of providing farmers with the right tools to improve productivity and income."

Local Government Minister (Rural) Mugerwa stated that the LEGS project is a game-changer for rural farmers. Mugerwa said, "The importance of providing farmers with the right tools to improve productivity and income."

PROGRESS MADE IN UGANDA'S DEVELOPMENT THROUGH THE NATIONAL DEVELOPMENT PLANS (NDPS)



GOVT CONSIDERING NEW POLICY TO PROMOTE GRAIN SECURITY



KASAJJA HAILS MSC INTERVENTIONS IN UGANDA'S WEALTH CREATION DRIVE



Uganda's Minister of Finance, Matia Kasajja, hailed the Microfinance Support Centre (MSC) for its significant contribution to Uganda's wealth creation drive through its various interventions.

Kasajja said, "The MSC's strategic plan, which focuses on financial inclusion, agricultural mechanization, and digital financial services, is a game-changer for rural Uganda. It is helping to unlock the potential of our rural population and drive economic growth across the country."

He further praised the MSC for its commitment to transforming the region through economic empowerment, adding that the government is committed to supporting the MSC's efforts to improve livelihoods and create jobs for all Ugandans.



The Microfinance Support Centre Ltd

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We are a Government owned development finance agency, incorporated in 2001 as a company limited by guarantee.

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Building strong SACCOS and Groups for Wealth and Job...

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11 views · 3 months ago

50

Affordable Finance

Affordable Finance

51



Sustainability and Responsible Finance for Inclusive Growth

► Sustainability and Responsible Finance for Inclusive Growth

The Microfinance Support Centre (MSC) continues to embed sustainability and responsible finance at the core of its operations, aligning its interventions with Environmental, Social, and Governance (ESG) principles. Guided by the recognition that sustainable finance is central to long-term socio-economic transformation, MSC has integrated social impact, environmental stewardship, and sound governance into its lending, capacity-building, and enterprise development programmes.

During the reporting year, MSC leveraged ESG-driven innovations to enhance both the quality and reach of its services. The adoption of digital financial solutions and data-driven credit assessment tools enabled the provision of affordable, low-risk financing to underserved micro and small enterprises, fostering responsible borrowing and productive investment. Targeted financing supported environmentally sustainable ventures, including eco-friendly enterprises such as briquette production, improved fishing practices, transport solutions, renewable energy adoption, and climate-smart agriculture.

On the social front, MSC advanced gender equality, youth empowerment, disability inclusion, and financial literacy, ensuring equitable access to opportunities for vulnerable populations. Strategic collaboration with the Frankfurt School of Finance & Management strengthened institutional capacity through specialized training in ESG risk assessment, green finance, and responsible lending.

The Board's approval of the Corporate Social Responsibility (CSR) Policy marked a significant milestone, reinforcing MSC's commitment to environmental sustainability and youth empowerment

The Board's approval of MSC's Corporate Social Responsibility (CSR) Policy represents a significant milestone in prioritizing ESG. The policy explicitly focuses on environmental sustainability and the empowerment of the young generation, signaling MSC's long-term commitment to creating shared value for both society and the environment.



Financial Performance

The year under review has been marked by robust financial stewardship and strategic resource management, reflecting the company's unwavering commitment to sustainable growth and organizational resilience. MSC has maintained a strong financial position, underpinned by prudent liquidity management, diversified revenue streams, and rigorous risk oversight. These efforts have enabled the institution to continue delivering accessible, affordable, and impactful financial solutions to our diverse clientele while safeguarding long-term institutional stability.

Total assets grew steadily during the year, driven by disciplined lending practices and strategic investments aligned with MSC's mission of fostering financial inclusion. Operational efficiency improved, supported by cost-optimization initiatives and enhanced internal controls, strengthening our capacity to expand services and reach underserved communities. Notably, portfolio

quality remained robust, reflecting our commitment to responsible lending, proactive risk monitoring, and client support systems that enhance repayment capacity.

MSC remains focused on strengthening its financial sustainability through innovation, strategic partnerships, and investments in digital transformation. Emphasis on Environmental, Social, and Governance (ESG) initiatives, coupled with staff capacity building in sustainable finance, positions MSC to deliver long-term value to stakeholders, contribute meaningfully to socioeconomic development, and continue playing a pivotal role in enabling inclusive economic growth. The Board and shareholders remain confident in the institution's trajectory, underpinned by sound governance, strategic oversight, and a steadfast commitment to financial excellence.

MSC remains focused on strengthening its financial sustainability through innovation, strategic partnerships, and investments in digital transformation. Emphasis on Environmental, Social, and Governance (ESG) initiatives,

Strategic Direction 2025/2030

Our Strategic Objectives



Increase access to affordable credit, grant financing and technical assistance

Expand delivery channels, Extend affordable credit, Islamic investment and grant financing, Develop & Refine Innovative inclusive products, Offer bundled BDS, & Green products



Strengthen partnerships and stakeholder trust

Strengthen client engagement and feedback systems & Enhance collaboration with Government, Development Partners & Implementing partners.



Improve financial performance, accountability and sustainability

Strengthen client engagement and feedback systems & Enhance collaboration with Government, Development Partners & Implementing partners.



Enhance MSC organisational Capacity and efficiency

Strengthen credit risk management, Enhance efficiency in loan/grant processing, Strengthen human resource capacity, Enhance Program/project Performance Monitoring.

Our Impact

Build Resilient Community Financial Institutions

Increase Financial Inclusion

Promote savings culture

Wealth & Job Creation

Poverty Alleviation



THEME:

Affordable microfinance services for wealth and job creation

Service Lines.



- Affordable credit
- Grant financing
- Business development services/Technical Assistance.



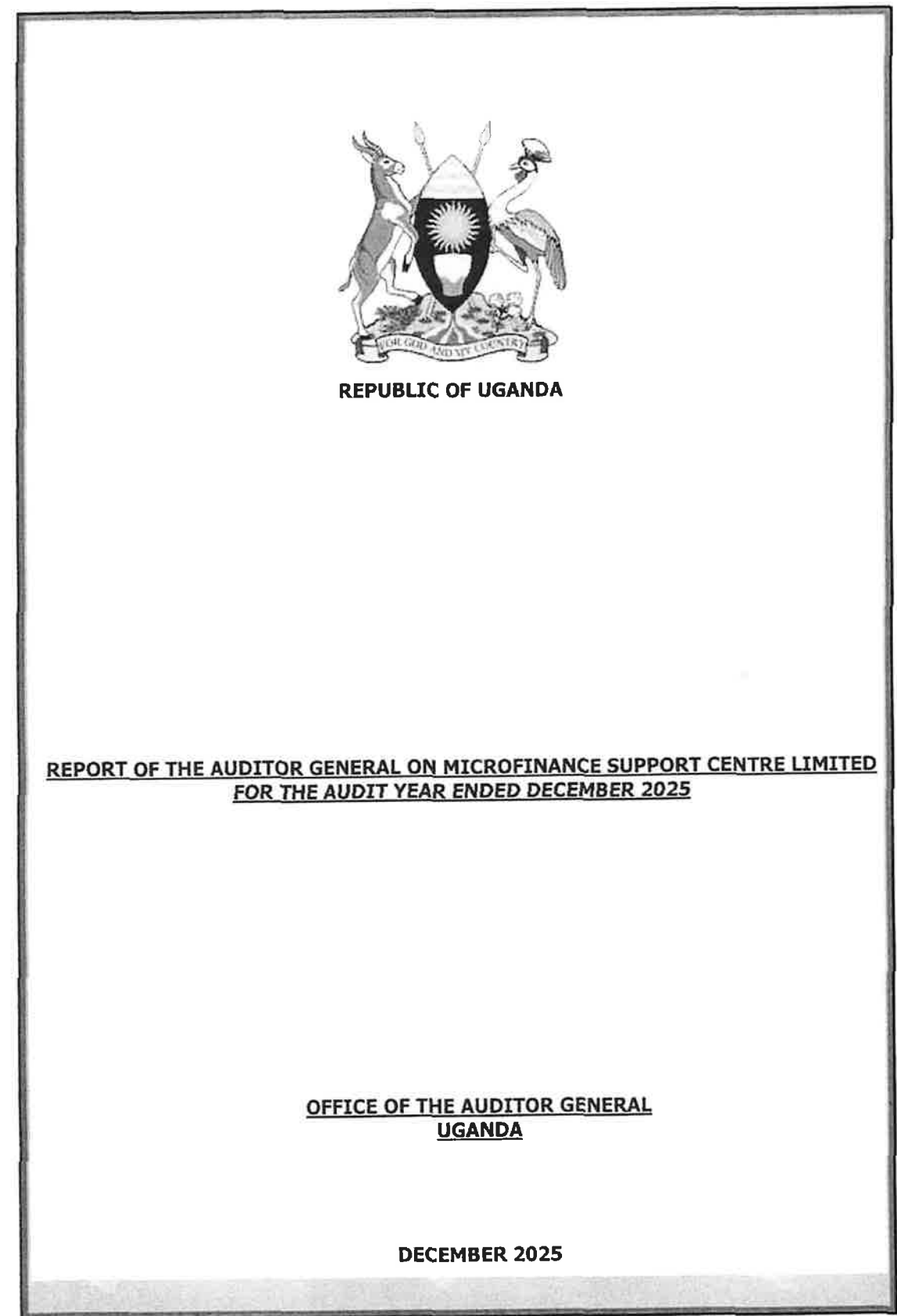
Our Grassroots Network/Coverage.

We operate in **regional and satellite offices** and a **network of 185 Reference Institutions (RIs)** across Uganda.





Financial Statements
July 1st, 2024 - 30th June 2025



PREAMBLE

This report presents the findings and recommendations on the Audit of Microfinance Support Centre Limited for the Audit year ended December 2025.

The report is based on audit observations made on all types of audits undertaken on Microfinance Support Centre Limited. This is intended to provide stakeholders with a clear understanding of my key findings and conclusions. The recommendations outlined in this report aim to support the entity in achieving its goals and objectives and to promote better service delivery.

This report has 4 sections:

Section 1: Financial audit report for the financial year ended 30th June 2025;

Section 2: Key findings on compliance with the specified regulatory framework;

Section 3: Highlights on evaluation of the entity's performance; and

Section 4: Appendices and financial statements

Key Audit Matter	How the matter was addressed in the audit
Estimation of expected credit losses on loans and advances to customers	
Loans and advances to customers constitute a significant portion of the total assets of Microfinance Support Centre Limited. As disclosed in notes to the financial statements, management exercise significant judgment when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers as required by IFRS 9 Financial Instruments.	My audit of the impairment of loans and advances included, amongst others, the following audit procedures ;
The key area where I identified greater levels of management judgment and therefore increased levels of audit focus in the Company's implementation of IFRS 9 include;	(i) Obtained an understanding of the company's methodology for determining expected credit losses, including enhancements in the year, and evaluated this against the requirements of IFRS 9, Financial Instruments;
- The judgments made to determine the categorization (staging) of individual loans and advances accounts in line with IFRS 9. In particular, the identification of a Significant Increase in Credit Risk ("SICR") and Default require consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime probability of default is used. - Where there is uncertainty in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, and macroeconomic events, additional provisions are made via management overlays. Significant judgement was made in determining the management overlays; - Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions; and - Modelling for estimation of ECL parameters: - Probabilities of Default (PDs), - Loss Given Default (LGD); and - Exposure at Default (EAD).	(ii) Tested the design and implementation of critical controls across all ECL-related processes, particularly the allocation of assets into stages, management overlays and update of collateral values.
	(iii) On a sample of contracts, I assessed the identification of loans and advances that had experienced a significant increase in credit risk or met the Company's default definition criteria for classification purposes. This was completed by reviewing documentation and credit performance to determine whether the staging of such facilities was in accordance with company policy and IFRS 9 standards;
	(iv) Assessed the competence, qualifications and objectivity of the company's external valuation experts, including an assessment of the scope of their work and reviewing conclusions reached;
	(v) Tested the assumptions, inputs and formulae used in the ECL models including assessing the appropriateness of model design and formulae used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default (LGD) and Exposure at Default (EAD);
	(vi) I corroborated the assumptions used for the determination of forward-looking information (FLI) in the models using publicly available information;
	(vii) Tested the data used in the ECL calculation by reconciling to source systems; and
	(viii) Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards.
Because of the significance of these estimates, judgments and the size of loans and advances portfolio, the audit of estimation of expected credit losses on loans and advances to customers is considered a key audit matter.	• Based on the procedures described above, my audit evidence was consistent with the inputs in the ECL on loans and advances which were found to be in line with IFRS 9. I also found the disclosures to be adequate and appropriate.

requires that current and forward-looking information is applied in estimating ECL.
Refer to Appendix 2.

The ECL model inputs regarding collateral do not reflect the fair values of the securities held as security, and the computations may not reflect the characteristics of the securities currently.

Management acknowledged the observation and indicated that the company was in the process of procuring the services of valuers to undertake the valuation exercise. Going forward, the company will undertake the valuations timely as required by the credit manual.

Recommendation

I advised the Executive Director to expedite the procurement of the valuer so that all current asset values are applied in the ECL model.

Other Legal and Regulatory Requirements

As required by the Companies Act, Cap. 106 of Uganda, I report to you, based on my audit, that;

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes of the audit;
- ii. In my opinion, proper books of account have been kept by the Company, so far as appears from my examination of those books; and
- iii. The Company’s statement of financial position and statement of comprehensive income are in agreement with the books of account.


Edward Akol
AUDITOR GENERAL

Kampala

29th December, 2025

The Microfinance Support Center Limited (A company limited by Guarantee) Annual report on financial statements for the year ended 30th June 2025

COMPANY INFORMATION

BOARD OF DIRECTORS

- Dr. Emmanuel Aliba Kiiza (Chairperson)
- Dr. Fredrick Twesiime Tabura (Retired September 2025)
- Amb. Agnes Kadama Kalibbala
- Mr. Robert Waiswa Mpakibi
- Mr. John Kalule
- Dr. Diana Nandagire Ntamu
- CPA. Odongo Milton Amaya Moses (Retired 28th July 2025)
- Mr. John Peter Mujuni (Executive Director/Chief Executive Officer)

COMPANY SECRETARY

Ms. Ndibuuza Mariam

REGISTERED OFFICE

Plot 32 Nakasero Road
P.O. Box 33711
Kampala, Uganda

INDEPENDENT AUDITOR

Auditor General
Plot 2C Apollo Kagwa Road
P.O. Box 7083
Kampala, Uganda

PRINCIPAL BANKERS

Centenary Bank
Mapeera House

Plot 44-46, Kampala Road
P.O. Box 1892
Kampala, Uganda

United Bank of Africa
Plot 2 Jinja Road
P.O. Box 7396
Kampala, Uganda

DFCU Bank
Plot 26 Kyadondo Road Nakasero
P.O. Box 70
Kampala, Uganda

Bank of Uganda
Plot 37/43 Kampala Road
P.O. Box 7120
Kampala, Uganda

Pearl Bank (Post Bank)
Plot 4/6 Nkuruma road
Kampala, Uganda

The Microfinance Support Center Limited (A company limited by Guarantee) Annual report and financial statements for the year ended 30th June 2025



**THE MICROFINANCE SUPPORT CENTRE LTD
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th JUNE 2025

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Statement of cash flows	13
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REPORT OF THE DIRECTORS

For the Year Ended 30th June 2025

The Directors submit their report together with the audited financial statements for the year ended 30th June 2025, which disclose the state of affairs of the Company.

1. PRINCIPAL ACTIVITIES

The Microfinance Support Centre Limited (MSC) is a government-owned company under the Ministry of Finance, Planning, and Economic Development. MSC operates with a dual mandate:

- To provide affordable credit
- To offer business development services to microfinance institutions and other registered business organizations.

MSC's core activities include:

- Provision of loans
- Management of Islamic investment products
- Delivery of business development services

Additionally, MSC manages the EMYOOGA Fund on behalf of the Government of Uganda and plays a pivotal role in building resilient Savings and Credit Cooperative Organizations (SACCOs) across Uganda.

STRATEGIC DIRECTION

MSC is currently implementing a five-year Strategic Plan (2020–2025), which is built upon the following four strategic pillars:

1. **Coverage and Depth** – Expanding outreach and deepening service delivery.
2. **Partnership Development** – Building strategic alliances and collaborations.
3. **Product and Service Innovation** – Designing and improving tailored financial products.
4. **Organizational Development** – Enhancing internal capacity and operational efficiency.

To ensure alignment with its goals, the Company conducts annual performance reviews of the strategic plan, tracking progress toward the achievement of targeted outputs.

VISION

"To be the development microfinance institution transforming livelihoods of the economically active poor for attaining sustainable development."

MISSION

"Provide affordable development microfinance services through effective management and delivery of Government of Uganda and partner development funds, increased access, and strengthening the capacities of institutions of the economically active poor."

CLIENTELE

MSC serves a broad spectrum of clientele, including:

- Savings and Credit Cooperative Organizations (SACCOs)
- Area Cooperative Enterprises (ACEs)
- Microfinance Institutions (MFIs)
- Cooperative Unions
- Marketing Cooperatives

2. RESULTS

	Accounts for year ending 30 th June 2025	Accounts for year ending 30 th June 2024
	Shs'000	Shs'000
Profit before tax	(22,637,708)	12,379,260
Tax	0	4,583,376
Profit for the year	<u>(22,637,708)</u>	<u>7,795,884</u>

3.Directors

The directors who held office during the year, and up to the date of this report, are listed on page 3.

4.RISK

Risk is an integral part of the Banking business and The Microfinance Support Centre Limited aims at the delivery of superior shareholder value by achieving an appropriate trade-off between risk and returns. The Company is exposed to various risks, including credit risk, market risk, operational risk, exogenous risk and climate risk. Our risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring.

i) Credit Risk

Credit risk is the risk that the company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Microfinance Support Centre Limited measures, monitors and manages credit risk for each borrower and also at the portfolio level.

The company has a standardised credit approval process, which includes a well-established procedure of comprehensive credit appraisal and rating.

ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and other prices, such as equity prices. The company's exposure to market risk is a function of its asset and liability management activities. The objective of market risk management is to minimize the impact of losses due to market risks on earnings and equity capital. Market risk policies include Asset-Liability Management (ALM) policies.

iii) Operational Risk

Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, and inadequate training and employee errors. We mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking regular contingency planning.

iv) Exogenous risk

Exogenous risk is driven by the Geopolitical tensions around the world and in 2023 particularly in Russia and Ukraine along with the consequential economic downturn and spillover effects on the company's borrowers.

v) Climate risk

Intensities of climate risk continue to increase as manifested in increased heating of the earth resulting in extreme drought in the cattle corridor, floods in the Elgon and Rwenzori regions, and changing weather patterns, among others. The effects increase vulnerabilities in the Agricultural sector which is the back borne of Uganda's economy.

Detailed risk management disclosures are presented in note 5 to the financial statements.

10. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue at the meeting of the Board of Directors held on 22nd Dec 2025.

BY ORDER OF THE BOARD


Mariam Ndibuuza
COMPANY SECRETARY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act, 2012 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; and that disclose, with reasonable accuracy, the financial position of the Company and that enables them to prepare financial statements of the Company that comply with the International Financial Reporting Standards (IFRS) and the requirements of the Ugandan Companies Act, 2012. The directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Ugandan Companies Act, 2012. They also accept responsibility for;

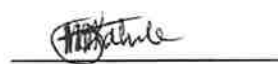
- i Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii Selecting and applying appropriate accounting policies; and
- iii Making accounting estimates and judgements that are reasonable in the circumstances.

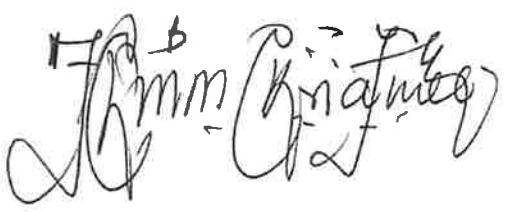
The directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 30 June 2025 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Ugandan Companies Act, 2012.

In preparing these financial statements the directors have assessed the Company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

So far as each of the directors is aware, there is no relevant audit information which the auditor is unaware of, and each of the directors has taken all the steps that ought to have been taken in order to become aware of any relevant audit information and to establish that the auditor is Approved by the board of directors on 22nd Dec 2025 and signed on its behalf by:

		
CHAIRPERSON	DIRECTOR	EXECUTIVE DIRECTOR /CEO



The Microfinance Support Centre Limited (A company limited by Guarantee) Annual report and financial statements for the year ended 30th June 2025

STATEMENT OF COMPREHENSIVE INCOME			
		30 th June 2025	30 th June 2024
		UGX	UGX
	NOTES	Shs'000	Shs'000
Interest income	6	15,850,072	15,547,444
Revenue from Islamic financing assets	7	1,550,068	1,101,367
GOU Grant Income	8	141,066,405	133,423,189
Other income	9	19,719,157	14,404,447
Sub Total		<u>178,185,702</u>	<u>164,476,447</u>
Increase (decrease) in impairment allowance	11	27,597,988	1,880,032
Administrative expenses	12	36,137,709	22,886,358
GOU Grant Expense	10	120,996,405	102,522,826
Other Operating Expenses	13	16,091,308	24,807,971
Sub Total		<u>200,823,410</u>	<u>152,097,187</u>
Operating profit/Loss before tax		(22,637,708)	12,379,260
Tax	14	0	4,583,376
Profit /Loss for the year		<u>(22,637,708)</u>	<u>7,795,884</u>

The Microfinance Support Centre Limited (A company limited by Guarantee) Annual report and financial statements for the year ended 30th June 2025

STATEMENT OF FINANCIAL POSITION		30 th June 2025	30 th June 2024
		UGX	UGX
		Shs'000	Shs'000
Assets	NOTES		
Cash and cash equivalents	15	176,806,442	184,303,944
Loans and receivables at amortized cost	17	126,283,328	132,673,351
Other receivables	18	12,814,716	28,252,767
Financing Receivables	19	15,567,542	20,112,475
Inventories	20	115,746	88,257
Property and equipment	21	6,121,127	6,818,667
Right-of-use assets	22	5,092,907	1,433,291
Intangible assets	23	833	54,967
Total assets		<u>342,802,641</u>	<u>373,737,719</u>
EQUITY			
PAP funds		3,180,752	3,180,752
NSADP		1,597,790	1,597,790
RMSP funds		23,438,266	23,438,266
GOU Credit funds		279,920,003	249,920,003
RIEEP funds-AFDB		29,818,281	29,818,281
RIEEP funds-ISDB		31,429,395	31,429,395
LEGS-ISDB		16,485,457	13,304,816
Accumulated losses		(72,066,082)	(49,428,374)
Revaluation Reserve		2,872,346	2,872,346
Total equity		<u>316,676,208</u>	<u>306,133,275</u>
Liabilities			
Trade and other payables	24	7,482,778	11,371,486
Deferred Income	25	13,285,972	54,423,814
Lease liabilities	16	5,354,316	1,805,775
Administered fund	28	3,366	3,366
Total liabilities		<u>26,126,432</u>	<u>67,604,444</u>
TOTAL EQUITY AND LIABILITIES		<u>342,802,640</u>	<u>373,737,719</u>

The financial statements on pages 10 to 58 were approved and authorized for issue by the Board of Directors on 22nd Dec 2025 and were signed on its behalf by:


CHAIRPERSON


DIRECTOR


EXECUTIVE DIRECTOR/CEO

The Microfinance Support Centre Limited (A company limited by Guarantee) Annual report and financial statements for the year ended 30th June 2025

STATEMENT OF CHANGES IN EQUITY

	PAP funds	RMSP funds	NSADP funds	GOU credit funds	AFDB	IDB/LEGS	LEGS	Earnings	Reserve	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Period ended 30 th June 2025										
At start of year	3,180,752	23,438,266	1,597,790	249,920,003	29,818,281	31,429,395	13,304,816	(49,428,374)	2,872,346	305,133,275
Prior year adjustments (Tax)										
Profit/Loss for the period	-	-	-	-			-	(22,637,708)		(22,637,708)
Transfer of LEGS funds							3,180,641			3,180,641
EMYOOGA Grant Fixed Asset										
Transfer from deferred income (GOU SACCO Fund)				30,000,000			-	-		30,000,000
Revaluation Reserve										0
Period ended 30 th June 2024	3,180,752	23,438,266	1,597,790	279,920,003	29,818,281	31,429,395	16,485,457	(72,066,082)	2,872,346	316,676,209
At start of year	3,180,752	23,438,266	1,597,790	206,493,146	29,818,281	31,429,397	5,375,816	(54,426,206)	2,872,346	249,779,586
Prior year adjustments (Tax)								(2,798,053)		(2,798,053)
Profit/Loss for the period	-	-	-	-			-	7,795,884		7,795,884
Transfer of LEGS funds						0	7,929,000			7,929,000
EMYOOGA Grant Fixed Asset										
Transfer from deferred income (GOU SACCO Fund)				43,426,857			-	-		43,426,857
Revaluation Reserve										
Period ended 30 th June 2024	3,180,752	23,438,266	1,597,790	249,920,003	29,818,281	31,429,395	13,304,816	(49,428,374)	2,872,346	305,133,275

SECTION 1: REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE MICROFINANCE SUPPORT CENTRE LIMITED FOR THE YEAR ENDED 30TH JUNE, 2025

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the Microfinance Support Centre (MSCL) for the financial year ended 30th June 2025 which comprise the Statement of Financial Position as at 30th June 2025, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows, together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of Microfinance Support Centre Limited present fairly, in all material respects, the financial position of Microfinance Support Centre Limited as at 30th June 2025, and its Comprehensive Income and Cash flows for the year in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and the requirements under the Companies Act of Uganda, Cap 106.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the 1995 Constitution of the Republic of Uganda, the National Audit Act (NAA), Cap 170, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.



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