UGAFODE Microfinance Limited (MDI)

UNAUDITED FINANCIAL STATEMENTS AS AT 30TH JUNE, 2026

UGAFODE Continues to strongly Empower Underserved Communities through Inclusive Finance

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

The first half of 2026 marked a significant milestone for UGAFODE Microfinance Limited (MDI), with strong financial and operational performance driven by enhanced internal staff capacity and improved operational efficiency across the institution.

These efforts enabled us to serve our customers more effectively while delivering improved financial results and strengthening our position for sustainable growth. We remain committed to continuous improvement and are confident of closing the year even stronger through disciplined execution of our strategic priorities.

A major highlight during the period was the successful onboarding of **Abler Nordic** as a new shareholder. This was complemented by the continued confidence and commitment of our existing shareholders i.e Women's World Banking (WWB) and SIDI, who participated alongside Abler Nordic in the capital raise, resulting in **UGX 9.67 billion** in new equity being raised.

We warmly welcome Abler Nordic to the UGAFODE family and appreciate the confidence all our shareholders continue to place in our vision.

We also extend our sincere appreciation to **Access Africa** as they exit their shareholding in UGAFODE for their invaluable support, and contribution to UGAFODE's growth and transformation during their time as a shareholder.

Consequently, shareholders' equity grew by **37.4%**, from **UGX 37.06 billion** in **December 2025** to **UGX 50.91** billion in **June 2026**, driven by both the successful capital raise and the profits generated during the first half of the year.

This strengthened our capital adequacy ratios and enhanced our financial capacity to support future business growth. As the newly raised capital is progressively deployed, we expect it to further strengthen institutional performance and enable us to close the year on an even stronger footing.

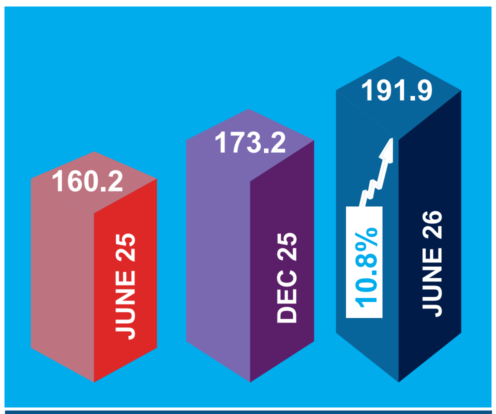
I take this opportunity to extend my sincere gratitude to our customers for their continued trust, our partners for their unwavering support, and our shareholders for their confidence and investment in the institution.

I also thank the Board of Directors, Management and every member of staff whose commitment, professionalism and dedication have been instrumental in delivering our strong first-half performance and positioning UGAFODE for continued success.

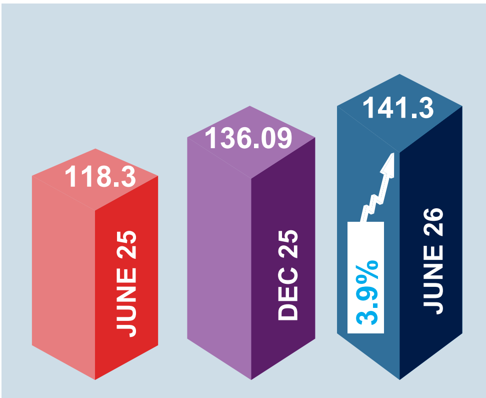
As we enter the second half of the year, we remain focused on sustaining this momentum through continuous improvement, prudent deployment of the newly raised capital and disciplined execution of our strategic initiatives.

We are confident that these efforts will further strengthen our institutional performance and enable us to conclude the year on an even stronger footing while continuing to transform the lives of our customers economically and socially through inclusive financial solutions.

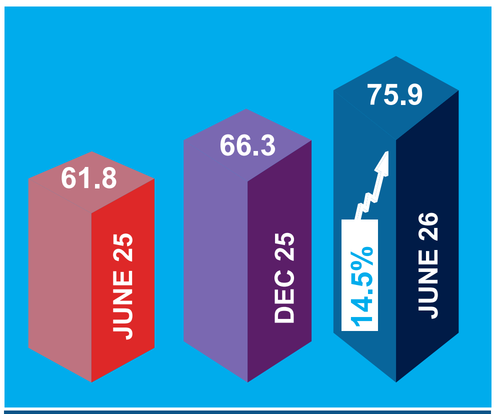
Shafi Nambobi,
CEO/Managing Director



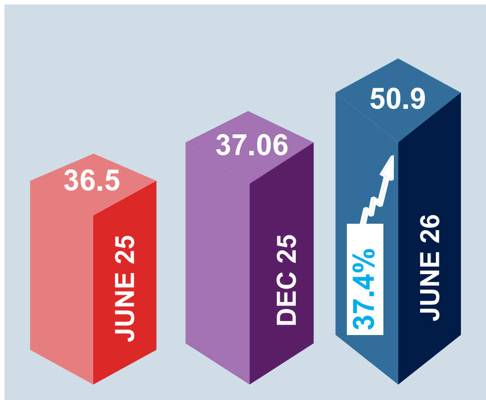
Total Assets (UGX Bn)



Net Loans & Advances (UGX Bn)



Customer Deposits (UGX Bn)



Shareholders' Equity (UGX Bn)

Particulars	Jun-26	Dec-25
	Shs '000	Shs '000
ASSETS		
Cash and cash equivalents	18,182,658	11,885,912
Loans and advances to customers (Net)	141,363,232	136,097,633
Investments with financial institutions	20,272,697	13,431,251
Property and equipment	4,950,709	4,657,847
Intangible assets	1,492,567	1,491,423
Right of use of an asset	2,012,051	1,945,432
Other assets	3,658,610	3,684,925
Current tax	-	8,467
TOTAL ASSETS	**191,932,525**	**173,202,890**
LIABILITIES		
Customer's deposits	75,944,372	66,312,952
Borrowings	54,092,414	60,214,088
Tax payable	29,935	0
Lease liability	1,547,129	1,599,361
Loan insurance fund	275,233	271,223
Other liabilities	5,766,896	5,959,760
Deferred grant	2,434,220	850,551
Deferred tax liability	932,521	932,521
TOTAL LIABILITIES	**141,022,720**	**136,140,456**
EQUITY		
Share capital	12,983,194	10,000,000
Retained earnings	16,503,758	16,502,378
Current year profits	3,763,588	0
Share premium	13,082,536	6,392,246
Regulatory credit risk reserve	3,703,990	3,295,070
Capital reserves	872,739	872,739
TOTAL EQUITY	**50,909,805**	**37,062,434**
TOTAL EQUITY AND LIABILITIES	**191,932,525**	**173,202,890**

Unaudited Financial Statements as at 30th June 2026		
Particulars	**Jun-26**	**Dec-25**
	Shs '000	**Shs '000**
Income		
Interest on deposits and placements	903,565	1,529,118
Interest on loans and advances	26,182,929	47,313,905
Fees and commissions income	2,006,849	2,794,867
Other income	2,310,356	2,946,011
Total income	**31,403,699**	**54,583,900**
Expenditure		
Interest expense on deposits	(3,347,276)	(5,947,380)
Interest expense on borrowings	(4,267,762)	(8,513,707)
Other interest expense	(68,764)	(150,841)
Provisions for bad and doubtful debts	(1,590,181)	(3,298,529)
Operating expenses	(16,353,081)	(29,782,760)
Total Expenditure	**(25,627,064)**	**(47,693,217)**
Net profits before tax	**5,776,635**	**6,890,683**
Taxation	(1,604,127)	(2,244,476)
Net Profits after tax	**4,172,508**	**4,646,207**

Joanita Sarah Nyakaisiki,
Head of Finance

Shafi Nambobi,
CEO/Managing Director

Regulated by Bank of Uganda. Customers' deposits are protected by the Deposit Protection Fund up to UGX 10,000,000