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Credit reporting is entering a period of rapid expansion, and the institutions driving this growth are no longer just commercial banks.

New data from the Bank of Uganda Annual Supervision Report 2025 shows that Saccos and non-deposit-taking microfinance institutions are now the biggest users of credit reference bureau (CRB) services.

They account for 41.4 percent of all credit reports requested during the year under review, a shift that continues to unfold against a boom in the credit reporting ecosystem.

Bank of Uganda indicates that credit-related enquiries rose by 28.4 percent, increasing from 653,400 to 838,700 in just one year, while the average number of registered borrowers across the three licensed CRBs surged from 2.9 million to 4.1 million.

The report also indicates that the number of Accredited Credit Providers that feed information into CRBs surged from just seven in June 2024 to 31 by June 2025.

Newly accredited providers now include Saccos, non-deposit-taking microfinance institutions, digital lenders and money lenders, marking one of the most significant structural shifts in Uganda's credit information system in recent years.

The expansion signals that borrowers' credit histories are no longer shaped primarily by banks.

Instead, a growing share of positive and negative credit data now originates from smaller, high-frequency lenders operating in the informal and semi-formal economy.

For Saccos and microfinance institutions, accreditation has provided a pathway into the formal credit reporting ecosystem, allowing them not only to access borrower histories but also to contribute their own data, strengthening sector-wide visibility of credit risk.

The surge in usage reflects a fundamental change in how smaller lenders manage risk.

Saccos and microfinance institutions operate closest to Uganda's informal economy, serving borrowers who often juggle multiple loans from different lenders.

As credit demand grows and com-

# Saccos and microfinance drive up demand for borrowers' credit history

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### COMMERCIAL / CORPORATE CREDIT APPLICATION FORM

#### GENERAL INFORMATION

Application Date: \_\_\_\_\_ Recurrent: ☐ New: ☐  
 Account No.: \_\_\_\_\_ Branch Name: \_\_\_\_\_  
 RIM No.: \_\_\_\_\_ FCS No.: \_\_\_\_\_  
 SIC: \_\_\_\_\_ Activity Description: \_\_\_\_\_  
 Loan Application No.: \_\_\_\_\_ Type of credit facility applied for: ☐ Loan ☐ Other: \_\_\_\_\_  
 Overdraft ☐ Bank Bond / Guarantee ☐ Letters of Credit ☐ If other specify: \_\_\_\_\_

#### APPLICANT'S PERSONAL INFORMATION

Full Names: Surname \_\_\_\_\_ First \_\_\_\_\_ Other \_\_\_\_\_  
 Gender: Male ☐ Female ☐  
 Date of Birth: \_\_\_\_\_ Parish \_\_\_\_\_ Town \_\_\_\_\_  
 Place of Birth: Village / Loc \_\_\_\_\_  
 Marital Status: Single ☐ Married ☐ Widower ☐ Divorced ☐ Cohabiting ☐ Other ☐  
 Identification Type: Passport No. \_\_\_\_\_ Expiry Date \_\_\_\_\_ Driving Permit \_\_\_\_\_  
 No. \_\_\_\_\_ Drivers Licence No. \_\_\_\_\_ Expiry Date \_\_\_\_\_  
 Voters Card No. \_\_\_\_\_ NSSF No. \_\_\_\_\_  
 Employee ID No. \_\_\_\_\_ VAT \_\_\_\_\_  
 Tax Identification Number (TIN): \_\_\_\_\_ Email \_\_\_\_\_ Mobile \_\_\_\_\_  
 Postal Address: P.O. BOX \_\_\_\_\_  
 Telephone: Residential \_\_\_\_\_ Work \_\_\_\_\_ Mobile \_\_\_\_\_

The growing dominance of Saccos and microfinance institutions in CRB usage, underscores a broader transformation in Uganda's credit market, with credit reporting no longer reserved for banks managing large loans. PHOTO / FILE

petition has intensified, with lenders increasingly relying on CRBs to verify borrower histories, detect multiple borrowing, and reduce defaults that can quickly destabilize their relatively small balance sheets.

Unlike commercial banks, which typically have diversified loan portfolios

and advanced internal risk models, Saccos and microfinance institutions face higher exposure to individual borrower failure.

The growing dependence on CRB data signals a move away from relationship-based lending toward data-driven decision-making, even at the commu-

nity and cooperative level.

In practical terms, access to small loans is becoming more closely tied to documented credit behaviour rather than trust, familiarity, or social ties.

However, the boom in credit reporting presents a double-edged sword. On one hand, a strong credit history

can now unlock access to loans across a wider range of lenders, including Saccos and microfinance institutions that were once more flexible and informal.

On the other hand, defaults, often arising from relatively small loans, can now follow borrowers across banks, Saccos, digital lenders, and money lenders alike.

Thus, with more institutions reporting data, borrowers with poor repayment records face system-wide consequences rather than isolated sanctions.

For low-income borrowers and small traders, this raises concerns about long-term financial exclusion, especially in the absence of clear credit rehabilitation mechanisms or widespread borrower education on credit reporting. Bank of Uganda also acknowledges inconsistencies and quality gaps in credit data across licensed CRBs; it says it has moved to address these through a Central Data Hub that will standardize data submissions, enforce reciprocity among lenders, and reduce discrepancies in borrower records.

The growing dominance of Saccos and microfinance institutions in CRB usage underscores a broader transformation in Uganda's credit market, with credit reporting no longer reserved for banks managing large loans.

Whether this transformation ultimately strengthens financial inclusion or deepens exclusion will depend on how effectively data accuracy, consumer protection, and dispute resolution evolve.

## Key figures

# 41.4%

Saccos and non-deposit-taking microfinance institutions are now the biggest users of credit reference bureau (CRB) services. They account for 41.4 percent of all credit reports requested.

# 28.4%

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