IFC MOBILE MONEY SCOPING
COUNTRY REPORT: UGANDA
UGANDA SUMMARY

OVERALL READINESS RANKING  xxx

MOBILE MONEY SOLUTIONS  3 mobile money solutions, all offered by MNOs (Airtel, MTN and Uganda Telecom)

POPULATION  38.3 million [Source: CIA]

MOBILE PENETRATION  20.3 million (2015) [Source: UCC]

BANKED POPULATION  44% all transaction accounts, 27% account with financial institution, 35% mobile account (2014) [Source: World Bank FINDEX]

PERCENT UNDER POVERTY LINE  19.7% (2013) [Source: CIA]

ECONOMICALLY ACTIVE POPULATION  18.6 million (May 2016) [Source: IFC]

ADULT LITERACY  78.4% total, 85.3% male and 71.5% female (2015) [Source: CIA]

MOBILE NETWORK OPERATORS  8 MNOs operating in the market, with 3 largest players (MTN, Airtel, Uganda Telecom) having >90% of the market
Macro-economic Overview

Regulations
Financial Sector
Telecom Sector
Other Sectors
Mobile Financial Services Landscape

Appendix: Interviews Conducted
### Key Country Statistics

- **Population:** 38.3 million [Source: CIA]
- **Age distribution:** 48% (0-14 years), 21% (15-24 years), 26% (25-54 years), 3% (55-64 years), 2% (over 65 years) [Source: CIA]
- **Median age:** 15.7 [Source: CIA]
- **GDP (PPP):** $78.9 billion (2015) [Source: CIA]
- **GDP per Capita (PPP):** $2,900 (2015) [Source: CIA]
- **Urban/Rural split:** 16.1% of population lives in urban areas (2015) [Source: CIA]
- **Population below poverty line:** 19.7% (2013) [Source: CIA]
- **Literacy Rate (age 15 and over can read and write):** 78.4% total, 85.3% male and 71.5% female (2015) [Source: CIA]
- **Account Penetration:** 44% all transaction accounts, 27% account with financial institution, 35% mobile account (2014) [Source: World Bank FINDEX]
- **Remittance Inflows:** $1,075 million (2015) [Source: World Bank]
- **Workforce:** 18.6 million (May 2016) [Source: IFC]
- **Mobile Subscribers:** 20.3 million (2015) [Source: UCC]
- **Data penetration:** 25% (2016) [Source: UCC]

### Insights

- **Young population,** with nearly 70% under age 24 and a median age of 16, that primarily live in rural areas, with high rates of poverty
- **BoU estimates** that 75-85% of retail transactions still take place in cash
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Appendix: Interviews Conducted
# REGULATORY BODIES INVOLVED IN MOBILE BANKING

<table>
<thead>
<tr>
<th>Roles &amp; Responsibilities</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank of Uganda (BoU)</strong></td>
<td>▪ There is no Payment Systems Act.</td>
</tr>
<tr>
<td>• In addition to BoU’s primary responsibility for monetary policy and maintaining price stability, BoU also regulates and supervises Financial Institutions.</td>
<td>▪ Together, BoU (FIs and MDIs) and UCC (MNOs) oversee offering of mobile money services in Uganda. UCC may also take action to improve competition in the market.</td>
</tr>
<tr>
<td>• The BoU National Payment System Department (1998) oversees the national payment system with the objective of ensuring overall effectiveness and integrity of the payment systems in the country.</td>
<td>▪ The provision of mobile money, including rights and responsibilities of various stakeholders and well-developed consumer protection and transparency policies, is governed by the Bank of Uganda Mobile Money Guidelines, 2013.</td>
</tr>
<tr>
<td>• BoU is in charge of approval and supervision of mobile money services.(^1)</td>
<td>▪ The Bank of Uganda Mobile Money Guidelines, 2013 are an interim measure to facilitate the operation of mobile money in Uganda. The BoU intends to develop a more comprehensive legal and regulatory framework.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Uganda Communications Commission (UCC)</strong></th>
<th>• Effective March 1(^{st}) 2012, UCC required all SIM cards in Uganda to be registered (photograph, photo ID(^2), name, address, DOB, gender and email address if applicable) by March 1(^{st}) 2013 or risk deactivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Uganda Communications Act, 2013(^3), established UCC as the single regulatory body for communications in Uganda, where the UCC essentially absorbed the functions of the Broadcasting Council</td>
<td>• As of end of 2015, the deactivation of unregistered SIM cards was still not completed, but MTN reported having deactivated 3.7 million subscribers in 2015.(^4)</td>
</tr>
</tbody>
</table>

1 Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 7(1)]  
2 Acceptable forms of ID include passport, employee ID, student ID from accredited educational institution, voter ID card, original, stamped letter from employer or local council with photograph and confirming identity of person, name, DOB, gender, physical address, email address if available.  
# REGULATORY FRAMEWORK, SLIDE 1

## Current Regulations

- Requirements to be a MMSP\(^1\):
  - Registered limited liability company
  - Be licensed by BoU, or partner with a licensed institution
  - Seek approval from BoU to provide mobile money services
  - Proof of financial position, business plan and risk management proposal
  - Appropriate and tested technology
- Responsible for managing the mobile money platform, including risk management, AML/CFT, consumer protection and reporting to BoU\(^2\)
- MMSPs may use agents

## Implications

- Banks/MDIs intermediate between MMSPs and BoU, acting as a conduit for authorizations, reporting and enforcement
- Even previously licensed FIs and MDIs require a letter of no objection from BoU to offer mobile money or partner with an MMPS\(^4\)
- BoU guidelines encourage (but do not expressly require) MMSPs to use systems capable of becoming interoperable with other payment systems locally and internationally\(^6\)
- MMSPs are required to assign each agent a unique identification number, keep up to date records of agents, and provide regular training

## Mobile Money Service Provider (MMSP)

- Qualified Licensed Institutions include:\(^3\)
  - FI licensed by the BoU under the Financial Institution Act, 2004 or
  - MDI licensed under Microfinance Deposit-Taking Act, 2003
- Licensed Institutions assume responsibility for:
  - Ensuring the MMSP complies with BoU regulations, including having AML/CFT measures in place\(^5\)

## Partnering Licensed Institution

- Mobile Money Services may only be offered by or in partnership with BoU licensed institutions (FIs or MDIs)
- MMSPs may partner with several licensed institutions

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1. Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 6(a)]
2. Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 3(3)(a)]
4. Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 6(b)(i)]
5. Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 6(b)(v)]
REGULATORY FRAMEWORK, SLIDE 2

Current Regulations

- Mobile Money Agent defined as a third party acting on behalf of a mobile money service provider to deal directly with customers
- Agents must be a registered business with physical address and must have an account with a BoU licensed institution
- Agents are required report suspicious and/or large transactions to Partnering Licensed Institution, which should in turn report to BoU

KYC/AML

- MMSPs should have adequate AML/CFT measures in place
- KYC/CDD requirements include at least one of the following to verify the identity of the customer (valid passport, driving permit, National ID card, financial card, local administration letter or business registration certificate)
- Limits should be set for transaction value, volume, frequency

Implications

- Agreements with agents should not be exclusive
- MMSPs are ultimately responsible for the actions and omissions of their agents
- Agents may register customers, cash in/out, address complaints, but may not transact when system is down, or on behalf of customers, or charge fees directly to customers
- BoU will review transaction limits
- As of November 2015, the National Identity Registration Authority (NIRA) had ceased issuing replacements, pending a bill on how replacements are to be done

1 Bank of Uganda Mobile Money Guidelines, 2013 [Part I, Section 5]
2 Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 7(5)(a)]
3 Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 7(5)(b) and Part II, Section 7(5)(c)]
4 Bank of Uganda Mobile Money Guidelines, 2013 [Part II, Section 7(5)(b) and Part II, Section 11(a)]
5 Uganda: No regulations for replacing National ID (allAfrica, November 19, 2015)
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Appendix: Interviews Conducted
### Access
- Physical access for informal (86% of adults are within 5km) and semi-formal (51%) financial institutions (FIs) was significantly better than for commercial banks (29%)\(^1\).
  - Proximity to FIs was better in urban areas\(^1\):
    - Commercial banks: Rural 22%/Urban 58%.
    - Semi-formal FI: Rural 45%/Urban 81%.
    - Informal FIs: Rural 84%/Urban 94%.
  - Penetration of financial access points (per 100,000 adults)\(^3\):
    - Commercial bank branches 3.0.
    - ATMs 4.6.
    - POSs 3.0.
- Estimated, 75% of Ugandan adults had a valid personal ID\(^3\).

### Ownership/Usage
- Rates of ownership among Ugandan adults (age 15+)\(^2\):
  - Account 44.4%.
  - Mobile account 35.1%.
  - FI account 27.8%.
  - Debit card 17.8%.
  - Own debit card 16.9%.
  - Credit card 1.6%.
- Rates of usage of various financial services/products among Ugandan adults\(^2\):
  - Used debit card in last year 6.6%.
  - Used credit card in last year 0.9%.
  - Mobile accounts are used to receive domestic remittances (65%), wages (15%), payment for agricultural produce (13%), as well as pay school fees (19%) and utility bills (38%)\(^2\).
  - Of those who saved in the last year (44%), 16.8% used financial institutions.

### Key Insights
- Physical access to informal FIs is almost triple that of access to commercial banks\(^1\).
- Physical access to financial institutions is better in urban than rural areas, and in Central and Western parts of Uganda\(^3\).
- The gap between rural and urban residents was largest in the access to commercial banks.
- Mobile money made the largest contribution to growth in access to and usage of non-bank financial services\(^1\).

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\(^{4}\) IFC Meeting with FSDU, October 2016.
FINANCIAL INCLUSION – ACCESS AND USAGE, SLIDE 2

Number of Access Points by Institution Type

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Money Agent</td>
<td>17,802</td>
</tr>
<tr>
<td>SACCOs</td>
<td>1,600</td>
</tr>
<tr>
<td>Microfinance Institution</td>
<td>369</td>
</tr>
<tr>
<td>Commercial Bank</td>
<td>305</td>
</tr>
<tr>
<td>Offsite ATMs</td>
<td>194</td>
</tr>
<tr>
<td>Microfinance Institution</td>
<td>37</td>
</tr>
<tr>
<td>Financial Institution</td>
<td>36</td>
</tr>
</tbody>
</table>

Number of Access Points by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>8,500</td>
</tr>
<tr>
<td>Western</td>
<td>7,478</td>
</tr>
<tr>
<td>Eastern</td>
<td>3,183</td>
</tr>
<tr>
<td>Northern</td>
<td>1,182</td>
</tr>
</tbody>
</table>

Mobile Money Agents account for 87% of all access points

Kampala accounts for 16.4% of all Access Points

SACCOs are more prominent in underserved Northern Region

**FINANCIAL SYSTEM OVERVIEW**

<table>
<thead>
<tr>
<th>BANKS</th>
<th>CREDIT INSTITUTIONS</th>
<th>ForEx BUREAU</th>
<th>MICROFINANCE INSTITUTIONS (MDIs)</th>
<th>MONEY REMITTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ There are 25 Commercial Banks licensed by the Bank of Uganda (BoU)¹</td>
<td>▪ There are 4 Credit Institutions licensed by BoU</td>
<td>▪ Foreign exchange services are available at 246 locations across Uganda</td>
<td>▪ There are 4 Microfinance Deposit Taking Institutions (MDIs) in Uganda</td>
<td>▪ There are licensed 58 MTOs (total of 110 locations across Uganda)</td>
</tr>
<tr>
<td>▪ There are approximately 300 commercial bank branches across the country ²</td>
<td>▪ Mercantile</td>
<td></td>
<td>▪ Pride Microfinance (27 locations)</td>
<td>▪ Remittance services are also available at:</td>
</tr>
<tr>
<td>▪ The market is very concentrated with a small number of banks (3) accounting for over 50% market share (assets, deposits, number of branches etc.) ²</td>
<td>▪ Post Bank (33 locations)</td>
<td></td>
<td>▪ FINCA (27 locations)</td>
<td>▪ Credit Institutions; Mercantile, Post Bank and Opportunity Bank</td>
</tr>
<tr>
<td></td>
<td>▪ Opportunity Bank (19 locations)</td>
<td></td>
<td>▪ UGAFODE (7 locations)</td>
<td>▪ MDIs; Pride Microfinance, UGAFODE, FINCA</td>
</tr>
</tbody>
</table>

¹ List of supervised institutions ([Bank of Uganda, 2016](http://www.bou.co.ug)) accessed September 29, 2016
SWITCHING, CLEARING & SETTLEMENT

- Paper-based payment methods in Uganda include:
  - Cash; still accounts for 75-85% of retail transactions.
  - Cheques; 23 FIs participating in BoU Cheque Clearing house, cheques are limited to a maximum value of UGX 20 million (or foreign currency equivalent) per transaction for physical exchange of instruments by commercial banks in clearing house (which contributed to increase in G2B payments in EFT), clearing takes place daily and average processing time is 3 working days.
  - The Electronic Clearing System (ECS)
    - Introduced in 2002 to automate cheque processing and clearing and has 22 participants.
    - Banks deliver data to the ECS using SWIFT messaging.
  - The Electronic Funds Transfer (EFT) system
    - Introduced in August 2003 for both credit transfers (typically, government and corporate entities paying salaries, G2B and B2B payments) and direct debits (typically, customers paying bills like utilities and school fees/tuition).
  - The BoU RTGS (Uganda National Interbank Settlement (UNIS) System)
    - Participants (26) of the UNIS System include banks and non-bank FIs.
    - On average, UNIS System processes 1200 transactions a day, valued at UGX 263 billion, on a T+0 processing time (max 2 hours).
  - The InterSwitch (formerly Bankom Switch)
    - Became operational in 2005 under the name Bankom Switch and was expected to encourage the use of payment cards by facilitating the use of Electronic Funds Transfers at Point of Sale machines (EFTPOS).
    - In 2010, Interswitch East Africa – a Nigerian company – acquired a 60% stake in Bankom and shortly after, changed its name to Interswitch Uganda.¹
    - Interswitch now offers the Verve payment card, a pan-African chip+pin payment card which can be used at POSs, ATMs, online and has additional biometric security features (fingerprint, face and voice recognition).²
    - Interswitch infrastructure accepts VISA, MasterCard, China Union Pay, Verve, as well as other proprietary branded cards.

¹ Bank of Uganda Governor’s Speeches, Aug 2011
² Interswitch Uganda website, accessed October 3, 2016 https://www.interswitchgroup.com/ug#services
The Uganda Securities Exchange (USE)
- Established in 1997, licensed by the Capital Markets Authority in 1998 and governed by a Governing Council, whose members include licensed broker/dealer firms, investment advisers, a representative of investors and a representative of issuers.
- In 2010, a Securities Central Depository (SCD) was established as a subsidiary company with a core mandate to provide centralized depository, clearing and settlement services for Ugandan equity and debt markets.
- In 2015, an Automated Trading Platform was introduced. Trades are settled on rolling T+3 settlement cycle on a DvP basis, with final and irrevocable settlement (secured by Guarantee Fund) taking place through banks on settlement date.
- There are currently only 18 companies listed on the stock market, including at least 3 banks.
- At present, the bond market consists of several government bonds and 5 corporate bonds.
- Market cap was UGX 24,172 billion in May 2016.
- For more information, visit https://www.use.or.ug/home

CREDIT BUREAUS
- The first Credit Reference Bureau (CRB), Compuscan CRB Limited, was established in 2008 and granted exclusivity by BoU for a period of 3 years until September 30, 2012 due to the limited market size. As of 2012, Compuscan received information from all banks, credit institutions and MDIs, was accessible by 544 branches of FIs and MDIs, who generated 40,000 credit enquiries monthly.
- During this period, a biometric identification system for borrowers (Financial Card System, FCS), which has at least 1 million customers, was established. The Financial Smart Card links fingerprints and a photograph take at the time of loan application, and stores this information, along with the unique identification number generated by Compusacn, on a smart chip embedded in a card.
- In August 2012, BoU announced its intention to open the CRB market by October 1, 2012 by licensing additional CRBs and permitting non-licensed entities to provide information to the CRBs.
- At least 2 other private CRBs operate in Uganda, including:
  - CRBAfrica, headquartered in Nairobi
  - Metropol Corporation, a Kenyan company, licensed by BoU in March 2015

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1 Speech by Mr. Emmanuel Tumusiime-Mutebile, Governor, Bank of Uganda (BIS, December 2008)
2 Press Release: Bank of Uganda opens Credit Reference Bureau (CRB) market (Bank of Uganda, August 2012)
3 Compuscan website, accessed October 3, 2016.
5 Metropol Corporation enters Ugandan credit market ending Compuscan monopoly (pctechmag, March 23, 2015)
<table>
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<tr>
<th>Bank Name</th>
<th>Total assets</th>
<th>Total liabilities</th>
<th>Branches</th>
<th>ATMs</th>
<th>Merchants w/ Pay Easy</th>
<th>Agents</th>
<th>Major Shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Bank of Africa (Uganda) Limited (public)¹</td>
<td>76,084,564</td>
<td>42,174,636</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td>Enke Inv Limited (24.91%), Ropat Nominees Ltd (22.5%), Livingston Registrars Ltd (19.9%), Yana Inv Ltd. (11.1%), Ropat Trust (5.4%), Others (16.2%)</td>
</tr>
<tr>
<td>Diamond Trust Bank (public)²</td>
<td>190,947,903</td>
<td>160,951,702</td>
<td>38</td>
<td>36</td>
<td></td>
<td></td>
<td>Aga Khan Foundation for Econ Dev (17.3%), Habib Bank Ltd (11.9%), Jubilee Insurance (10.5%), Diamond Jubilee Inv Trust Ltd (1.4%), Standard Chartered Nominees (various) (8.9%)</td>
</tr>
<tr>
<td>Equity Bank (public)³</td>
<td>360,468,890</td>
<td>306,409,462</td>
<td>36</td>
<td>33</td>
<td></td>
<td></td>
<td>Subsidiary of Equity Group Holdings Limited (EGHL) whose majority shareholders are Norfininvest (12.23%), British-American Investments Company (10.63%), among others</td>
</tr>
<tr>
<td>Stanbic Bank (public)⁴</td>
<td>627,321,154</td>
<td>3,878,816,828</td>
<td>78</td>
<td>173a</td>
<td>315⁶</td>
<td></td>
<td>Total 22,720 shareholders, the largest of which are Stanbic Africa Holdings Limited (80%), National Social Security Fund Uganda (2.0%), Duet Africa Opps Fund (0.9%), Others (17%)</td>
</tr>
<tr>
<td>Finance Trust Bank⁵</td>
<td>151,051,019</td>
<td>116,332,989</td>
<td>36</td>
<td>35a</td>
<td></td>
<td></td>
<td>UWT Uganda (20.1%), Oikocredit (19.6%), PEAMEF (18.3%), RIF North 1 (18.3%), I&amp;PAE (14.2%), Founding members (9.5%)</td>
</tr>
</tbody>
</table>

³ Data as at June 30, 2016. Source: Equity Group Holdings Limited Un-Audited Financial Statements and Other Disclosures. ³a Refers to Equity Bank (Kenya)Limited, not Group level.
⁵ Data as at December 31st, 2015. Source: FTB Annual Report 2015. ⁵a Member of Interswitch (100 ATMs)
⁶ Stakeholder Meetings (IFC, October 2016).

Note: A selection of banks. Full list of banks operating in Uganda available from Bank of Uganda website.

Amounts are in UGX '000 unless otherwise stated. Exchange rate: UGX 3,366.55 to USD 1.00.
<table>
<thead>
<tr>
<th>BANKING SECTOR</th>
</tr>
</thead>
</table>
| **KCB Bank (public)** | Total assets: 468,119,269 Kshs, ’000<sup>1a</sup>  
Total liabilities: 396,297,298 Kshs, ’000 | Branches: 16  
ATMs: 940<sup>1b</sup> | Subsidiary of KCB Group Ltd, whose major shareholders are the Gov of Kenya (17.5%), Individual Kenyan shareholders (27.1%), Kenyan Institutional shareholders (27%), foreign (28%) |
| **Centenary Rural Development Bank Limited (public)** | Total assets: 1,974,400,355  
Total liabilities: 1,573,775,222 UGX, ’000 | Branches: 63  
ATMs: 157 | Reg trustees of Various Catholic Dioceses (38.5%), Reg Trustees of Uganda Episcopal (31.3%), Stiching Hivos Tridos (18.3%), SIDI Fr (11.6%), Catholic Archdiocese of Kampala (5.3%) |
| **DFCU Bank Limited (public)** | Total assets: 1,651,629  
Total liabilities: 1,436,498 UGX, millions | Branches: 43<sup>4</sup>  
ATMs: 290<sup>3a</sup> | Rabo Dev B.V. (27.5%), NORFINANCE AS (27.5%), CDC Group Plc (15%) National Social Security Fund (5.9%), Kimberlite Frontier Africa Naster Fund (3.8%) All others under 3% each |

<sup>1a</sup> Refers to KCB Group as a whole, not just Uganda. Data as at June 30<sup>th</sup>, 2016. Source: [KCB Group Financials](https://www.kcb.co.ug/).  
<sup>1b</sup> Refers to proprietary ATMs, as well as those in partnership with Kenswitch and Pesapoint. Source: [KCB Uganda Website](https://www.kcb.co.ug/).  
<sup>3a</sup> Connected to Interswitch.  
<sup>4</sup> Stakeholder Meetings (IFC, October 2016).  

Note: A selection of banks. Full list of banks operating in Uganda available from [Bank of Uganda website](https://www.bou.co.ug/).
CURRENT CHALLENGES TO THE BANKING SECTOR

- KYC- National ID verification is a concern as most customers, although registered, do not collect their IDs. Almost all banks interviewed suggested that biometric technology could be a solution in the interim.
- Financial Institutions Agent Banking final Regulations not yet released.
- Connectivity challenges in areas not covered by GPRS and 3G Services
- Consumer financial literacy
- The cost of technology to upscale the digital finance landscape
- Service uptime is a key challenge on Digital platforms/products
MICROFINANCE SECTOR OVERVIEW

- **Sector:** The sector is one of the most developed in EAC region, benefiting from strong regulation, a competitive microfinance sector with and the best functioning credit bureau in the region.

- **Regulation:** Uganda’s regulatory environment for microfinance is well established, with defining legislation dating to 2003 and a respected enforcer in the form of the Bank of Uganda (BoU). BoU was the first in the region to issue a microfinance law: in 1999 it issued a Policy on Microfinance Regulation, stating that microfinance would be regulated under a four-tier framework:
  - Tier 1: Banks
  - Tier 2: Credit Institutions
  - Tier 3: Micro-Finance Deposit-Taking Institutions or “MDI”
  - Tier 4 mainly Savings and Credit Cooperative Societies or “SACCOS”, and Credit-only NGOs.

- In 2003/4, the MDI Act was enacted. Start-up capital requirement for MDIs was set lower than that for Banks and Credit Institutions, but MDIs were required to comply with higher capital adequacy standards (due to the volatile nature of savings and the alternative collateral forms used in microfinance).

Source: [https://reports.mixmarket.org/crossmarket#](https://reports.mixmarket.org/crossmarket#), accessed May 2016
### MICROFINANCE SECTOR OVERVIEW

- **Market Size:** There are 18 microfinance institutions reporting to MIX Market as at December 2014, 4 of which are supervised by BoU (MDIs). Centenary Bank controls over 74% of the total assets and deposits. The total gross loans portfolio was USD 446.6 million for 462,460 borrowers and deposits USD 506.7 million for 2.2 million depositors as at December 2014.

- **Portfolio quality:** As at the end of 2014, all the MDIs had PAR 30 days at 2% while the rest of the MFIs had an average of 3.9% PAR 30.

- **Profitability:** The ROA and ROE ratios for the MDIs rose to 5.6% and 20.3% from 3.5% and 12%, respectively while the rest of MFIs had an average 9.7% and 21% respectively as at Dec 2014.

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Source: [https://reports.mixmarket.org/crossmarket#](https://reports.mixmarket.org/crossmarket#), accessed May 2016
## MICROFINANCE SECTOR (MDIs and MFIs)

<table>
<thead>
<tr>
<th>FINCA Uganda Ltd (MDI)(^1)</th>
<th>UGAFODE Microfinance Ltd(^3)</th>
<th>BRAC Uganda Limited(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>• FINCA International Inc. is the majority shareholder.</strong></td>
<td><strong>• ACCION (28.1%), Uganda Agency for Dev (UGAFODE, 23.4%), ACCESS Africa (23.4%), Fonds European de Financement (21.4%), others (3.6%)</strong></td>
<td><strong>• Subsidiary of BRAC International, a private limited liability company under Dutch law, with 100% shares owned by Stichting BRAC International</strong></td>
</tr>
</tbody>
</table>
| **Total assets:**\(^{1a}\) USD 1,093,558,818  
Total liabilities:**\(^{1a}\) USD 849,008,797 | **Total assets:** USD 11.81 million (2014)\(^4\)  
**Active borrowers:** 11,490 (214)\(^4\)  
**Locations:** 12  
**Average loan size:** USD 740 (2014)\(^4\) | **Total assets:** 3,218,185  
**Total liabilities:** 363,957 UGX, '000  
**Client base:** 212,000\(^5\)  
**Locations:** 175\(^5\)  
**Loan size:** 250,000 to 35,000,000 Ushs |
| **Locations:** 23  
**• Portfolio at Risk > 30 days:** 4.69% (2012)\(^4\) | **• Portfolio at Risk > 30 days:** 2.91% (2014)\(^4\)  
**• Loans to SMEs:** 17%  
**• Loans to agriculture:** 30% | **• Portfolio at Risk > 30 days:** 0.56% (2015)\(^4\)  
**• Loans to non-farm biz:** 80%  
**• Loans to agriculture:** 6.9% |

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1 Data as at December 31\(^{st}\), 2015. Source: [FINCA International, Inc. Consolidated Financial Statements](#).

1\(^a\) Refers to FINCA International, Inc. as a whole. Data as at December 31\(^{st}\), 2015. Source: [Finca Microfinance Holding Company LLC (FMH) Annual Report 2015](#).


3 Data as at 2015. Source: [BRAC Annual Report 2015](#).

4 Mix Market Uganda Country Profile, accessed January 13, 2016 [https://www.themix.org/](https://www.themix.org/) Date as indicated

5 Stakeholder Meetings (IFC, October 2016).
GOVERNMENT PAYMENTS – IN AND OUT

- The majority (75%-85%, according to the Bank of Uganda) of retail payments in Uganda still take place in cash, but government payments are slowly shifting to electronic channels. There are a number of notable developments in the area of government payments, some of which are listed below:
  - A cap on the value of cheques (UGX 20 million, or its foreign currency equivalent) was introduced in in July 2007. As a result, the government stopped issuing cheques to its suppliers and employees in favour of Electronic Funds Transfers (EFTs) – a fast, convenient, reliable and secure system implemented in August 2003 that facilitates domestic payment and collection of funds in Uganda.
  - The Ugandan government is in the process of upgrading its salary payment system from Integrated Personnel and Payroll System (IPPS) to Integrated Financial Management System (IFMS) in an effort to eliminate 8,000 “ghost employees” from the payroll system. IFMS will require all government employees to have a government issued National ID card, which will then be linked to a unique supplier number to facilitate processing of payroll.  
  - Uganda Revenue Authority (URA) now accepts income tax payments via mobile money.

2 Uganda: Govt to public servants: No National IDs, No Pay (allAfrica, April 11, 2016)
According to World Bank estimates, Uganda’s international migrant stock – the number of Ugandans living abroad – was 749,471 in 2015.

The great majority of Ugandans migrate within the African continent, and nearly 70% reside in just 2 countries bordering Uganda (Kenya (47%), South Sudan (21%)). A notable share have migrated to Rwanda (18%), while the remainder are distributed among the UK and the United States.

Uganda is a net recipient of remittances; inflows ($1,075 million) were roughly 4 times as large as outflows ($289 million) and equivalent to 3.3% of GDP.

The average total cost of sending $200 to Uganda is roughly 12% of the amount sent; that’s more than the average cost to send the same amount to the Sub-Saharan African region (9.58%) or the world (7.60%).

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TELCOMMUNICATIONS SECTOR IN UGANDA

Key Statistics

- 8 MNOs operating in the market
- Very concentrated market, with 3 largest players having >90% of the market
- Mobile subscribers (20.2 million, 99.5% pre-paid) for 98% of the 20.5 million telephone subscriptions (2016)
- 35.5 million connections
- Internet penetration (40% in Q1 2016) has almost doubled in the last 2 years
- Roughly half of internet connections occur on a mobile phone (2016)
- Mobile sim penetration 59%

Internet and Data

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Q1 2014</th>
<th>Q1 2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Internet Subscriptions (Mobile)</td>
<td>4,140,530</td>
<td>5,905,016</td>
<td>7,461,035</td>
</tr>
<tr>
<td>Estimated Internet Subscriptions (Fixed)</td>
<td>101,900</td>
<td>117,900</td>
<td>134,350</td>
</tr>
<tr>
<td>Estimated Internet Users (Total)</td>
<td>8,153,348</td>
<td>11,924,927</td>
<td>14,564,660</td>
</tr>
<tr>
<td>Internet Penetration (per 100 inhabitants)</td>
<td>22.0%</td>
<td>34.2%</td>
<td>39.8%</td>
</tr>
</tbody>
</table>

Mobile and Fixed Telephony

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Q1 2014</th>
<th>Q1 2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Subscriptions (pre-paid)</td>
<td>18,756,966</td>
<td>21,347,079</td>
<td>20,133,363</td>
</tr>
<tr>
<td>Mobile Subscriptions (post-paid)</td>
<td>81,489</td>
<td>110,282</td>
<td>86,910</td>
</tr>
<tr>
<td>Fixed Subscriptions</td>
<td>331,216</td>
<td>349,163</td>
<td>328,811</td>
</tr>
<tr>
<td>Total Mobile and Fixed Subscriptions</td>
<td>19,169,671</td>
<td>21,806,523</td>
<td>20,549,084</td>
</tr>
<tr>
<td>Tele-density (per 100 inhabitants)</td>
<td>52.4%</td>
<td>62.5%</td>
<td>59.0%</td>
</tr>
</tbody>
</table>

2 Data as at Q4 2015. Source: GSMA Intelligence.
TELECOMMUNICATIONS SECTOR IN UGANDA

- The Telecoms sector in Uganda is regulated by the Uganda Communications Commission (UCC), which has a mandate to undertake a range of functions, including i) licensing and standards, ii) spectrum management, iii) tariff regulation, iv) research and development, v) consumer empowerment, vi) policy advice and implementation, vii) rural communications development and viii) capacity building.

- The UCC Telecommunications Licensing Regime, introduced in 2006, distinguishes between Infrastructure Provision (defined as plant, equipment, systems associated with the transmission, reception, and switching of telecommunications (electronic signals)) and Service Provision (defined as the relaying of messages in any form (voice or data) over communication infrastructure between a sender and a receiver).

- In this regard, the UCC has issued the following licenses:

  - Public Service Provider (PSP) License (24), of which there are 2 types; i) Public Voice and Data License and ii) Capacity Resale License.
  - Public Infrastructure Provider (PIP) License (23).
  - General License, which does not require a license fee, and essentially is an endorsement of the operations in the sector, which may not include providing pre-paid services to the public without the necessary license from UCC.

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3 Source: List of PSP licensees, UCC website, access September 30, 2016.
TELECOMMUNICATIONS SECTOR IN UGANDA

- Telecom service providers in Uganda are calling for tightening of regulations to limit entrance of new players and promote more efficient allocation (and use) of spectrum\(^1\)

- As a condition of their license from UCC (Article 7.4), PSPs and PIPs are sometimes required to block subscribers’ access to social media on the instruction of UCC\(^2\)

- Telecom companies in Uganda pay levies to UCC (2% of gross revenue), which constitutes 27% of UCC’s projected revenues for the 2014/2015 financial year. The Ugandan government is currently procuring technology (Intelligent Network Monitoring System, INMS), which is expected to cost taxpayers Shs70 billion, to improve their ability to independently verify the reported sales and earnings.\(^3\)

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\(^1\) [Uganda: Telecoms Want Tighter Regulations on Industry](https://www.allafrica.com/stories/201609290451.html) (allAfrica, September 29, 2016)


\(^3\) [Uganda: Museveni Buying Shs70 billion gadget to Monitor Telecoms](https://www.allafrica.com/stories/201605090075.html) (allAfrica, May 9, 2016)
POINTS OF INTEREST IN THE MOBILE MARKET

- In Uganda, taxes represent 26.7% of the Total Cost of Mobile Ownership (TCMO), placing Uganda among the top 20 in the world and top 3 in Africa as measured by taxes as a share of TCMO. Even still, Uganda Revenue Authority (URA) are considering an additional tax on internet usage on mobile phones, which is one of the only services currently not taxed. This will be in addition to existing taxes on other services, such as Sending and withdrawing mobile money (10%), Voice Calls (12%), and Value added services, such as football scores or medical advice via text (20%).

- In recent years, Uganda’s MNOs have established Public Land Mobile Networks across most of the country using 2G technology, but 3G remains restricted to the main towers and 4G chiefly around Kampala and environs. This is expected to improve in 2016, when countrywide rollout of 4G is planned.

- Data penetration remains low (25%) and some Ugandan MNOs are making strides to increase demand for data, such as:
  - Entering partnerships with smartphone manufacturers to increase availability of affordable internet-enabled smart phones and, hence, demand for data
    - examples: MTN and Huawei, Africell Uganda and iDROID USA, Bharti Airtel Africa and Qualcomm
  - Innovating to allow customers to share data

---

2. Uganda: URA moves to slap new taxes on data (allAfrica, August 12, 2016)
# MOBILE NETWORK OPERATORS

<table>
<thead>
<tr>
<th>Operator</th>
<th>Subscribers</th>
<th>Market Share</th>
<th>3G Coverage</th>
<th>4G Coverage</th>
<th>Ownership</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>9.6 million</td>
<td>40%</td>
<td>45%</td>
<td>4%</td>
<td>MTN Uganda is a wholly owned subsidiary of MTN International</td>
<td>Established in 1998 • Constant currency data revenue grew 23% YoY and contributed 31% of total revenue • Rolled out 62 3G and 35 LTE sites in Q1 2016</td>
</tr>
<tr>
<td>Airtel</td>
<td>7.2 million</td>
<td>33%</td>
<td>45%</td>
<td>45%</td>
<td>Airtel Uganda Limited is 100% owned by Bharti Airtel</td>
<td>Formerly CELTEL Uganda (1998) -&gt; ZAIN Uganda (2007) -&gt; Airtel Uganda (2010). Acquired Warid Uganda in 2013. Partnered with Grameen Foundation to DFS to women’s savings groups • Joined On-Network-Area for East Africa</td>
</tr>
<tr>
<td>Uganda Telecom</td>
<td>4.9 million</td>
<td>19%</td>
<td>43%</td>
<td>7%</td>
<td>Ownership: LAP GreenN 69% (acquired in 2007) Government of Uganda 31%</td>
<td>New management in place, and a turnaround plan, which may include reducing non-essential operational costs, is underway. Company admits and is attempting to address its over-indebtedness.</td>
</tr>
<tr>
<td>Africell</td>
<td>2 million</td>
<td>50%</td>
<td>43%</td>
<td>7%</td>
<td>Ownership: Subsidiary of Africell Holding (Lebanon-based telecom company) Acquired Orange operations in 2014</td>
<td>Recently launched plan allows customers to own a free smart phone with 1 year data subscription (Bakakase) 4a • Africell Money allows cash in/out, and P2P transfer. No bill payments or credit.</td>
</tr>
</tbody>
</table>

1 MTN Group Limited Quarterly Results (March 2016) and GSMA Intelligence (Q3 2016)
2 Airtel Uganda Website and Airtel Group Annual report 2015 and GSMA Intelligence (Q3 2016)
3 Uganda Telecom website, and UTL press release.
4a Uganda: Telecom Prospects in 2016 (allAfrica, January 11, 2016) and GSMA Intelligence (Q3 2016)
## MOBILE NETWORK OPERATORS

<table>
<thead>
<tr>
<th>Mobile Operator</th>
<th>Connections</th>
<th>Market Share</th>
<th>3G Coverage</th>
<th>4G Coverage</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vodafone</strong></td>
<td>415,000</td>
<td>2%</td>
<td>19%</td>
<td>18%</td>
<td>Subsidiary of Vodafone Group. Non-equity Partner Market agreement with Afrimax Group to launch Vodafone Uganda in 2014. Launched voice and data services in Feb 2015 and hit 100,000 customers by Sep 2015. 4G LTE covers Kampala and Entebbe, and working on other countries. M-Pesa does not appear to be active in Uganda.</td>
</tr>
<tr>
<td><strong>Smile</strong></td>
<td>30,000</td>
<td>.1%</td>
<td>45%</td>
<td></td>
<td>Subsidiary of Smile Telecoms Holdings Ltd (Smile Group), founded in 2007 and incorporated in Mauritius. Commercially launched in June 2013. Coverage of 14 cities. 5 year contract with Ericsson to manage 4G/LTE networks in a number of countries, including Uganda.</td>
</tr>
<tr>
<td><strong>itel</strong></td>
<td>194,000</td>
<td>.8%</td>
<td>45%</td>
<td></td>
<td>Subsidiary of Transsion Holdings, a Hong Kong based company established in 2006 which claims to be the number 1 feature phone manufacturer in the world. Transssion Holdings brands include itel, Tecno Mobile, and iFLUX. Sold upwards of 30 million handsets worldwide in 2015. Expanded into Africa – a key market of focus – in 2008.</td>
</tr>
<tr>
<td><strong>Smart</strong></td>
<td>222,000</td>
<td>.9%</td>
<td>29%</td>
<td></td>
<td>Subsidiary of Promotion Services (IPS) Kenya, which in turn is part of the Aga Khan Fund for Economic Development (AKFED). Entered the already crowded market in 2014 and calls itself the cheapest provider in Uganda.</td>
</tr>
</tbody>
</table>

1. Vodafone Uganda Website and Vodafone and GSMA Intelligence (Q3 2016)
4. Data as at Q3 2016. Source: GSMA Intelligence.
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Appendix: Interviews Conducted
PAYMENT SERVICE PROVIDERS

**Payway Uganda**

[https://paywaykiosk.com/](https://paywaykiosk.com/)

- Payway allows customers to do the following using mobile money, cards either online, at a kiosk or at a POS
  - Pay for utilities (National Water, UMEME Yaka, URA)
  - Pay TV subscription (AzamTV, DSTF, GoTV, SimbaTV, StarTimes, Zuku TV)
  - Pay Internet bills/purchase data top up (Tangerine, Smile, MTN, Uganda Telecom, Roke Telecom, Airtel, Vodafone, Africell)
  - Purchase airtime for mobile phone
  - Pay car lease (Tugende drive to own)
  - They also have a mobile wallet (PayWay Wallet)

**Ezee Money Uganda**


- A multi-company incorporated in June 2012 (Malaysian based parent company, Mobile Money International Sdn. Bhd. (MMI), which holds an E-Money license from the Central Bank of Malaysia) offering Electronic Money in Uganda
- Customers do not need a mobile phone or a formal bank account, and can make and receive payments using an Ezee Money Hybrid card, which works just like a bank card at Ezee Money terminals/POSs, or Ezee Money vouchers
- They offer POS (3,000 agents with terminals), money transfers, e-money services to banks, non-banks, governments, NGOs

**Yo! Payments (formerly Yo! Uganda)**

[https://payments.yo.co.ug/](https://payments.yo.co.ug/)

- Mobile payments aggregator that allows businesses to receive payments from customers via mobile money, as well as make payments to any mobile money account holder (B2B or B2P)
- Offer personal (no API access and no receive function) and business (access to API which allows paying and receiving) accounts
- Yo! Payments accounts can be linked to bank accounts and can facilitate bulk payments (useful for salaries, for example)
OTHER APPLICATIONS OF DFS

M-KOPA Solar
http://solar.m-kopa.com/about/
- Kenyan an off-grid company founded in 2012 with a presence in Kenya, Tanzania and Uganda and a franchisee in Ghana
- Customers buy the solar home system on an affordable M-KOPA payment plan, with an initial deposit followed by daily payments for up to one year
- Now uses the now popular PAYGO (pay as you go) model to provide solar appliances to Base of the Pyramid (BoP) populations and are accepting mobile money (MTN Mobile Money and Airtel Money)
- Between their inception in 2012 and 2016, they have connected over 300,000 homes in East Africa and have made about $40 million in revenue within that same period

Tugende Drive to Own
http://www.tugendedriven.com/
- A motorcycle leasing company that provides motorcycles to recommended drivers in a lease-to-own arrangement.
- If paid on time, the drivers own the bike after 19 months or less. Ownership allows drivers to save money they would normally spend renting, and provides accumulated savings in the value of the paid off motorcycle.
- Payments are entirely cash-less and made by drivers via mobile money or e-payment kiosk (PAY-WAY).
UGDANA GDP

GDP and GDP Per Capita

<table>
<thead>
<tr>
<th>Indicator Name¹</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (current US$)</td>
<td>$20,262,889,524</td>
<td>$23,236,898,742</td>
<td>$24,662,957,836</td>
<td>$26,998,477,707</td>
<td>$26,369,242,278</td>
</tr>
<tr>
<td>GDP growth (annual %)</td>
<td>9.7%</td>
<td>4.4%</td>
<td>3.3%</td>
<td>4.8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>GDP per capita (current US$)</td>
<td>$591</td>
<td>$656</td>
<td>$674</td>
<td>715</td>
<td>$676</td>
</tr>
<tr>
<td>GDP per capita growth (annual %)</td>
<td>6.12%</td>
<td>1.05%</td>
<td>-0.04%</td>
<td>1.46%</td>
<td>1.68%</td>
</tr>
</tbody>
</table>

Relative Share of Economy (Q3 2016)

- Agriculture, Forestry & Fishing: 23%
- Industry: 20%
- Services: 49%
- Taxes on products: 8%

Sources:
² Uganda Bureau of Statistics (UBOS) [Quarterly GDP](http://data.worldbank.org/data-catalog/world-development-indicators)
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Appendix: Interviews Conducted
DIGITAL FINANCIAL SERVICES EVOLUTION IN UGANDA

1 Source: IFC Internal Analysis, 2016.
# QUICK OVERVIEW OF MOBILE MONEY PROVIDERS

<table>
<thead>
<tr>
<th>Product Name</th>
<th>MNO</th>
<th>Number of Accounts</th>
<th>Mobile Money Market Share</th>
<th>Currency</th>
<th>Agent Network</th>
<th>Registration Requirements</th>
<th>Balance and Transaction Limits</th>
<th>Cash In/Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN Money¹</td>
<td>MTN Uganda</td>
<td>10 million</td>
<td>66%</td>
<td>UGX</td>
<td>20,000 agents nationwide</td>
<td>A mobile money-enabled SIM, completed registration form, original and copy of ID, can be done at an agent</td>
<td>Max balance: UShs 5 million Max trans: UShs 4 million</td>
<td>MTN Money agents, ATMs (Centenary, Crane and Bankom)</td>
</tr>
<tr>
<td>Airtel Money²</td>
<td>Airtel Uganda</td>
<td>8 million</td>
<td>33%</td>
<td>UGX</td>
<td>47,000 agents (Banks, Supermarkets, small merchants, petrol station chains (TOTAL))</td>
<td>Registered SIM card</td>
<td>Max trans: UShs 5 million</td>
<td>Airtel shops, Airtel Money agents (47,000) and partner ATMs</td>
</tr>
<tr>
<td>M-Sente³</td>
<td>Uganda Telecom</td>
<td>1.2 million</td>
<td>1%</td>
<td>UGX</td>
<td>5,000 agents (Equity, KCB, Finance Trust, Post Bank, Pride MicroFinance, Posta Uganda)</td>
<td>UT SIM card, Original ID</td>
<td></td>
<td>Msente agents, partner banks (Equity, KCB, Finance Trust, Post Bank, Pride MicroFinance) or UTL service centers (19)</td>
</tr>
</tbody>
</table>

¹ Source: Airtel Money [website](#). Acceptable forms of ID include: Passport, Diver’s License, Company ID, Government ID, Tax certificate, LC certificate, Voter’s card.

² Source: MTN Money [website](#).

³ Source: Uganda Telecom [website](#). Original ID includes Driver’s License, Passport, Military ID, Company ID, Voter’s card or LC Certificate.

⁴ Source: IFC Meetings, October 2016.
# QUICK OVERVIEW OF MOBILE MONEY PROVIDERS

<table>
<thead>
<tr>
<th>Product Name</th>
<th>MTN Money¹</th>
<th>Airtel Money²</th>
<th>M-Sente³</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile Top-Up</strong></td>
<td>Yes, self and others</td>
<td>Yes, self and others (Airtel only)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Link with Bank account</strong></td>
<td>Yes, link to existing account or open a savings account</td>
<td>Yes (check bank balances, send to/from Airtel Money and to another bank)</td>
<td>No, but can deposit cash at partner banks</td>
</tr>
<tr>
<td><strong>Access to Credit</strong></td>
<td>Yes, access small loans</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>P2P Payments (Domestic)</strong></td>
<td>Yes, to both registered and unregistered users</td>
<td>Yes, to both registered and unregistered users</td>
<td>Yes, to both registered and unregistered users</td>
</tr>
<tr>
<td><strong>P2P Payments (International)</strong></td>
<td>Yes, MTN Rwanda, World Remit, Afroremit (VISA/MasterCard), M-Pesa</td>
<td>WorldRemit (mobile money wallet deposit, airtime top up)</td>
<td>No</td>
</tr>
<tr>
<td><strong>P2B Payments</strong></td>
<td>Yes (Umeme, NWSC, UEDCL, Ready Pay Solar, Nkopa)</td>
<td>Yes, pay bills (Electricity, Water, Pay TV), purchase goods and services (lotto, gas, parking etc.)</td>
<td>Yes (DSTV, GoTV, UMEME, Water Bills)</td>
</tr>
</tbody>
</table>

¹ Source: Airtel Money [website](#)
² Source: MTN Money [website](#)
³ Source: Uganda Telecom [website](#)
MOBILE MONEY – KEY POINTS OF DIFFERENCE, SLIDE 1

MTN Money
- MTN Money account holders can buy mobile airtime for themselves or top up to another number, make P2P transfers to mobile money accounts (MTN or another network) or unregistered customers who can collect at an agent, withdraw at one of the 20,000 MTN MobileMoney agents, make and receive international money transfers (MTN Rwanda, Afreonrem, Worldremit, Safaricom), make payments including taxes and fees to URA, KCCA, make donations etc.
- Accounts have a maximum balance of UShs 5 million, and a maximum transaction amount of UShs 4 million.

Airtel Money
- Airtel Money allows account holders to conduct various transactions, including:
  - Send and receive money across networks, as well as to unregistered users (though this service is up to 30 times more expensive for a transfer of UShs 4 million or more)
  - Buy airtime for yourself or other person (airtel customers)
  - Make Payments using airtel money (utility bills, goods & services)
  - Link to bank account and conduct bank transactions (check bank balances, send money from your phone to your bank & from your bank to your phone or to another bank account)
  - Withdraw cash at ATMs or a wide network of agents (47,000)
- Account holders are required to register their SIM card to activate mobile money

Key Statistics
- 18.9 million mobile money accounts (March 2016)
- Uganda is one of 5 countries where more mobile money account penetration (35.1%) exceeds that of accounts at financial institutions (27.8%)
- 18.9 million subscribers (nearly 95% of 19.9 million population over age 15)

Mobile Money Update

<table>
<thead>
<tr>
<th>Mobile Money Update</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscribers</td>
<td>18,939,660</td>
</tr>
<tr>
<td>Transactions (Volume)</td>
<td>197,321,475</td>
</tr>
<tr>
<td>Transactions (Value)</td>
<td>UGX 9,083 bln</td>
</tr>
<tr>
<td>Balance on Accounts</td>
<td>UGX 323 bln</td>
</tr>
<tr>
<td>Number of MM Agents</td>
<td>111,791</td>
</tr>
</tbody>
</table>

3 Data as at March 2016. Source: Bank of Uganda.
MOBILE MONEY – KEY POINTS OF DIFFERENCE, SLIDE 2

Key Statistics

- 18.9 million mobile money accounts (March 2016)¹
- Uganda is one of 5 countries where more mobile money account penetration (35.1%) exceeds that of accounts at financial institutions (27.8%)²
- 18.9 million subscribers (nearly 95% of 19.9 million population over age 15)

M-sente

- USSD-based mobile wallet offering that allows customers to perform a variety of transactions, including deposits, transfers, withdrawal, airtime purchases, and bill payments (utilities such as NWSC, Umeme, Pay TV etc). M-sente is also capable of doing bulk payments, such as for salaries and donations.
- Process for registration is simple (UTL SIM card and original ID) and can be done at agent
- M-Sente has partnered with Britam Insurance and Inclusivity Solutions to introduce an affordable, accessible Micro insurance product that can be managed remotely through Mobile money.
- Also linked to the M-Sante card, which uses mobile wallet balance.

<table>
<thead>
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³ Data as at March 2016. Source: Bank of Uganda.
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Appendix: Interviews Conducted
INTERVIEWS CONDUCTED

BANKS

- **FINANCE BANK TRUST** – Dennis Kakeeto, Executive Director
- **STANBIC** – Patrick Mweheire, CEO, Veronica Sentogo, Head, Digital Banking
- **DEVELOPMENT FINANCE COMPANY OF UGANDA (DFCU) BANK** – William Sekabembe, Chief of Business & Executive Director
- **DIAMOND TRUST BANK UGANDA (DTBU)** – Varghese Thambi, CEO
- **KCB BANK** – Mathias Muhimbisa, Executive Director

OTHER FINANCIAL INSTITUTIONS

- **BRAC** – Jimmy Onesmus Adiga, Chief Executive Officer
- **PEGASUS** – Ronald Muwanguzi, Technical Director

MOBILE NETWORK OPERATORS (MNOs)

- **AFRICELL** – Hussein Samanya, Head of Africell Money

INTERNATIONAL FINANCIAL INSTITUTIONS

- **UNITED NATIONS CHALLENGE DEVELOPMENT FUND (UNCDF)** – Francois Coupienne, Lead technical Specialist
- **FUND FOR SUSTAINABLE DEELOPMENT UGANDA (FSDU)** – Christopher Musoke - CEO