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TITLE: Measuring m-Banking services in Uganda

MEASURING M-BANKING SERVICES IN UGANDA



UGANDA
COMMUNICATIONS
COMMISSION

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1

WHAT ARE MOBILE FINANCIAL SERVICES(MFS)?

- **MFS** : Banking related services (payments, receipts, deposits etc) accessed using a Mobile telephony platform / network
- **Mobile Banking**: Internet based & tied to actual bank account and accessed using a mobile internet enabled device.
- **Mobile Money (MM)** – Unstructured Supplementary Service Data (USSD) & SMS based service using a SIM as the repository of e-Value or as the e-Wallet. (**Technical definition**)
- **MM** most popular service in Uganda & focus of this presentation
- **MM** begun as a Value Added Service (VAS) & Customer Retention service; now further transformed into a tool of Financial Inclusion.

what is mobile money? What is mobile money transaction?

- **Mobile money** is e-money available to a user to conduct transactions through a mobile phone.
- **Mobile money transaction** is a mobile phone initiated person-to-person, or person-to-business money transfer service.

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3

Mobile money agents; Who are they?

- Retail outlets operators having direct interaction with customers in providing all MM services; appointed & authorized by the MNO

OR

- A manned retail outlet that Facilitates and provides mobile money services

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4

Roles of An Agent:

- Facilitates SIM card upgrade for customers wishing to register for Mobile Money
- Registers customers on Mobile Money service
- Educates customers on Mobile Money issues
- Provides cash-in (deposits) & cash-out (withdrawal) transactions

Agents accounts versus customers accounts

AGENTS

- Maximum balance and transaction limit are much higher than customer's
- MM accounts are created by MNOs to serve customers;

CUSTOMERS

- Maximum balance and transaction limits lower than that of agents
- Customers' Mobile Money accounts are created by agents using the agent tills/phones

Withdrawing Mobile Money	
This happens when users, both registered and non-registered need to convert their e-money into cash	
Registered users	Non-registered users
Will be required to present some form of identification (mm registered number)	Will be required to present some form of identification, have a Token ID as well a Secret Code.
Have a phone as well as know his/her MM PIN	He/she may or may not have a phone, has no PIN
Pay a charge for withdrawing, which varies depending on the amount they are withdrawing.	Does not incur any withdrawal charge since the charges are catered for by the sender, thus He/she receives all his/her money sent.

7

How Mobile Money Works:	
REGISTERED USERS	UNREGISTERED USERS
Have mobile money accounts	Do not have mobile money accounts
Can send and receive money	Can not send but can receive money
Can buy airtime + other services from the mobile money platform	Can not buy airtime or any service from the mobile money platform
Can withdraw varied amounts from their accounts	Must withdraw all the money received

8

Deposit - Buying Mobile Money

This occurs when a registered user wants to purchase e-money.

- He/she will give physical cash to the agent and obtain an equivalent e-amount of Mobile Money on his/her phone
- Only registered users can buy Mobile Money,
- There are no charges for this transaction

9

MNOs providing MMS in Uganda

MNOs	YEAR OF LAUNCH	COMMERCIAL BANKS IN PARTNERSHIP	SERVICES OFFERED
MTN	2009	Crane Bank, Centenary Bank, United Bank of Africa	➤ Paying utility bills
AIRTEL	2009/2012	Standard Chartered Bank, United Bank of Africa	➤ Paying tuitions ➤ Pay TV
UTL	2010	Post Bank, Posta Uganda, Pride Micro Finance, Uganda Finance Trust	➤ Insurance Premium ➤ Street parking fees
ORANGE	2013	Post Bank, Pride Microfinance	➤ Air ticket payments ➤ Buying general goods and services

Former **Zain** launched the service in 2009 but was later acquired by **Airtel**. Mobile services of both companies were merged in 2013. **Warid Telecom** also had mms but was as well acquired by **Airtel**

DEVELOPMENTS & INNOVATIONS

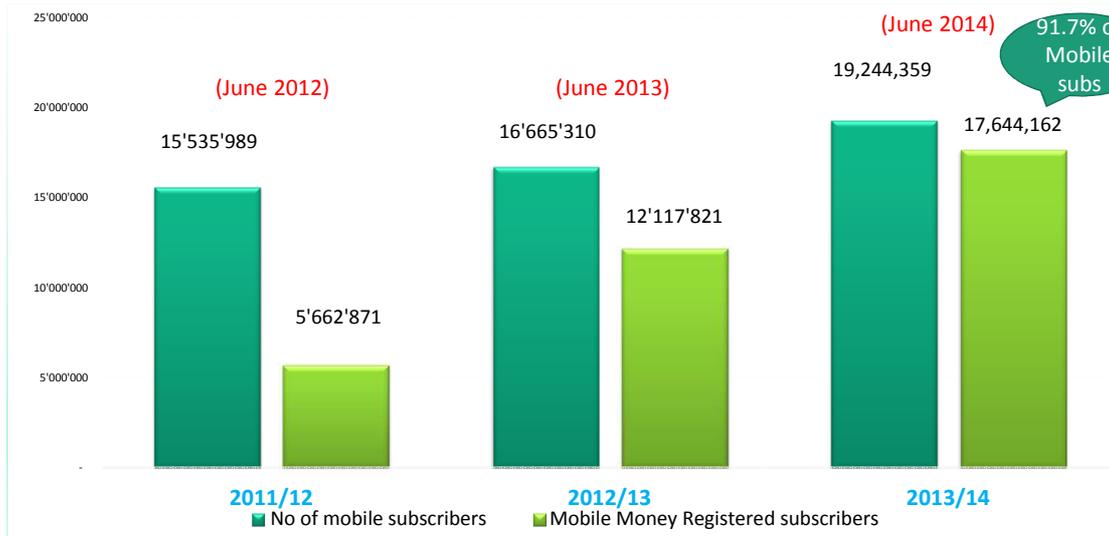
- Two new MFS providers in the last two years; **EZEEMONEY** and **MCASH**-both are MNOs platform independent

EZEEMONEY	MCASH
<ul style="list-style-type: none"> ➤ Incorporated in June 2012 ➤ Provides Mobile financial services to individuals and businesses. ➤ Network platform independent ➤ Users transact with/using EzeeMoney e-Wallet at the various EzeeMoney Service Centers countrywide. 	<ul style="list-style-type: none"> ➤ The M-Cash account is a virtual account ➤ Offered by Housing Finance Bank. ➤ Electronic wallet and e-Value accessible using biometrics, mobile phones, charge cards and online at www.mcash.ug ➤ M-Cash account tied to Housing Finance Bank but MNO independent

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11

SUBSCRIPTIONS: MOBILE TELEPHONY Vs MOBILE MONEY

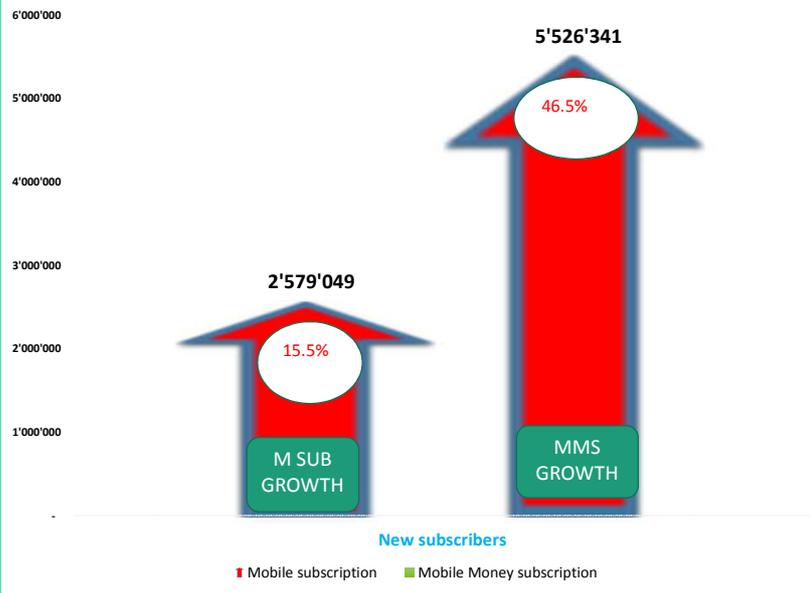


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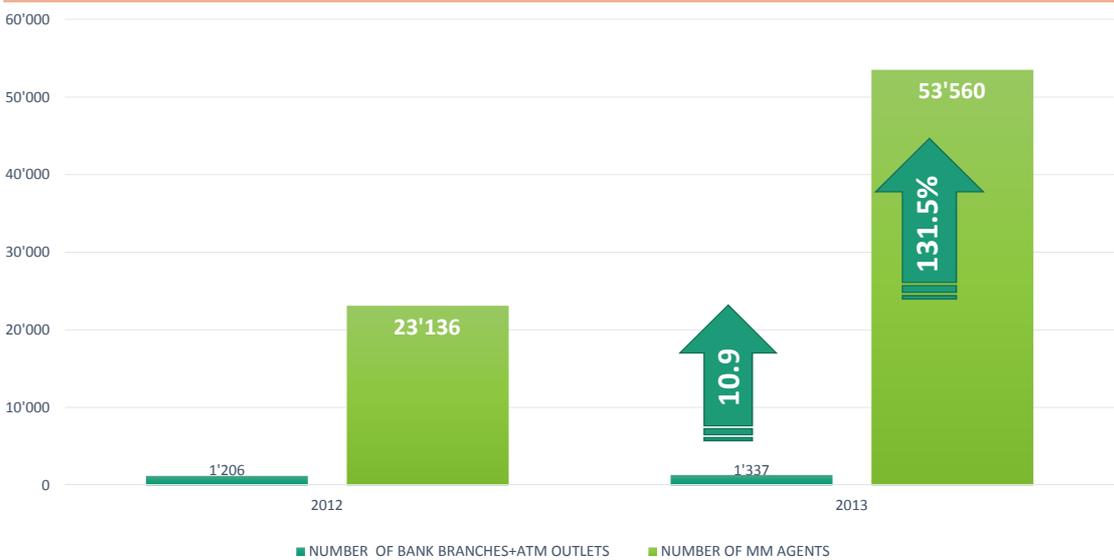
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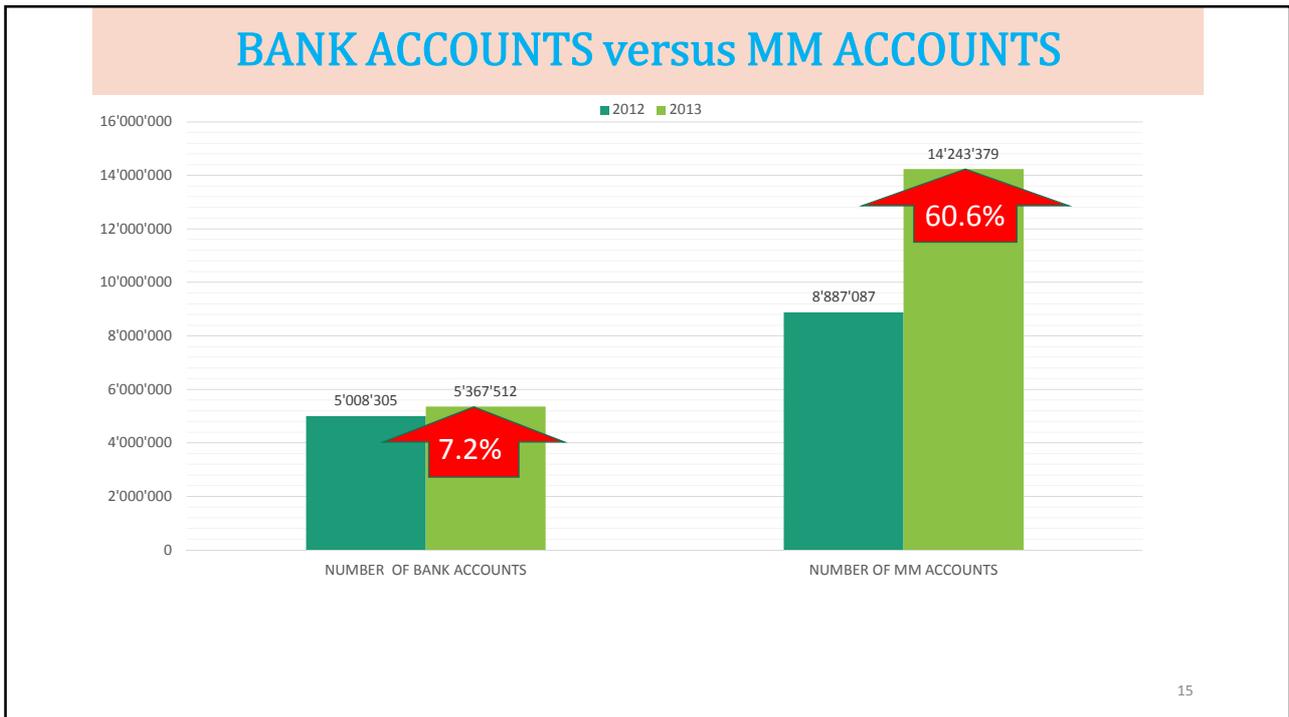
SUBSCRIPTION GROWTH: MOBILE TELEPHONY Vs MOBILE MONEY

➤ Faster growth rate in the number of mobile money subscriptions than growth rate in mobile subscriptions recorded as of June 2014



(BANK BRANCHES & ATMS) Vs (MM SERVICE POINTS & AGENTS)





Access and usage indicators

ACCESS INDICATORS	USAGE INDICATORS
➤ Number of mobile money agents	➤ Value of transactions
➤ Number of banks partnering with MNOs	➤ Balance on customer accounts
➤ Number of registered mobile phones	➤ Value of outstanding remittances
	➤ Number of transactions

***Data on the above indicators are compiled monthly**

16

MMS STATISTICS IN UGANDA; THE CHALLENGES

- NO Regulator visibility into the MMS technology & platforms.
- UCC has NO DIRECT access to MMS data
- Regulatory framework for MMS being developed to fill gap in UCC & BOU regulatory roles
- BOU & UCC lack independent verification of submitted data on MMS

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17



Instead of paying with cash, cheque, or credit cards, a consumer can use a mobile phone to pay for a wide range of services. **END**

18

THANK YOU