

FINANCIAL INCLUSION *insights*

APPLIED RESEARCH FOR  digital financial inclusion

UGANDA

QUICKSIGHTS REPORT FII TRACKER SURVEY

Conducted July-August 2015

October 2015

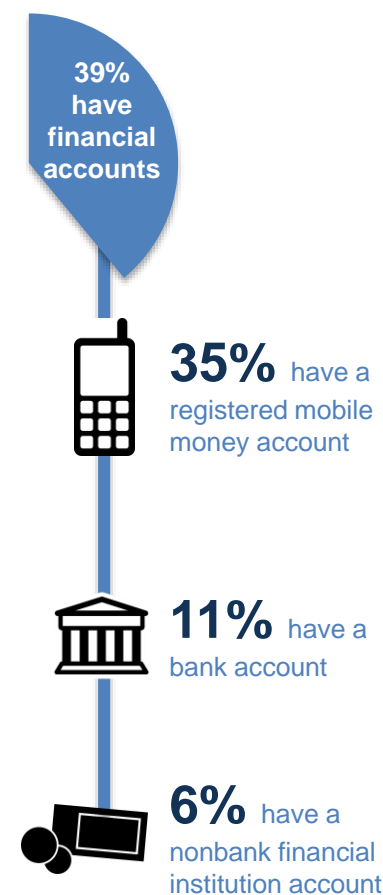
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Notable statistics

- **Uganda is building toward meaningful financial inclusion.**
 - Formal account ownership and usage have **grown** vs. 2013 (now 39%), largely due to increases in mobile money usage. Two in five Ugandan adults now have a registered financial account.
 - Active account ownership has also **increased** vs. 2013. Thirty-five percent of Ugandans are now active account holders (used their registered accounts “in the past 90 days”) vs. 30% in 2013. There are few dormant bank and mobile money accounts. Most who have an account use it.
 - Active bank and mobile money account holders are **using more** beyond-basic-wallet functions compared with previous years. Savings and bill pay remain the most common advanced activities; payroll distribution and merchant payments via digital accounts are on the rise.
- **Mobile money continues to be the predominant financial service in Uganda.**
 - Thirty-five percent of Ugandan adults have a registered mobile money account. An additional 12% access services via somebody else’s account, including that of an agent (over-the-counter/OTC use).
 - Mobile money usage surpasses the use of both banks and nonbank financial institutions.
 - Consumers are more likely to know of mobile money point of service options vs. banks or other regulated financial outlets.
 - There is nearly universal knowledge of the mobile money concept and providers.

2015: Registered users of financial services*

(Shown: Percentage of Ugandan adults, N=3,000)



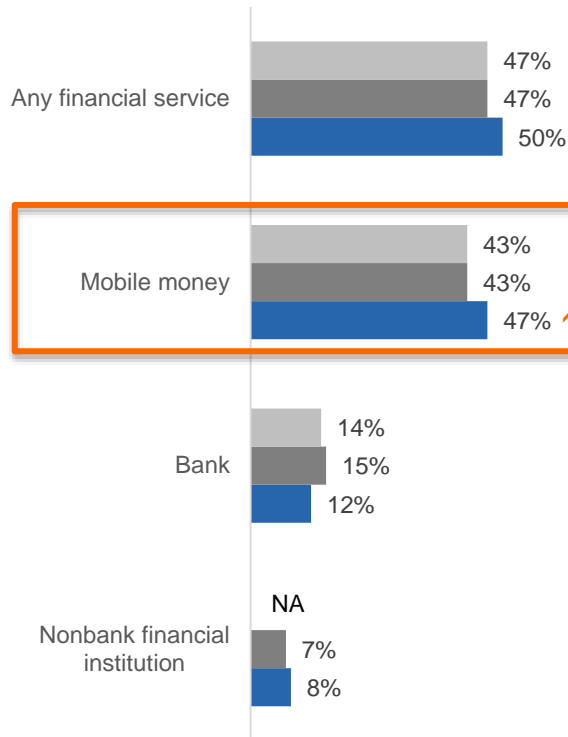
*Overlap representing those who have multiple kinds of financial accounts is not shown.

Source: InterMedia Uganda FII Tracker survey Wave 3 (N=3,000, 15+) July-August 2015.

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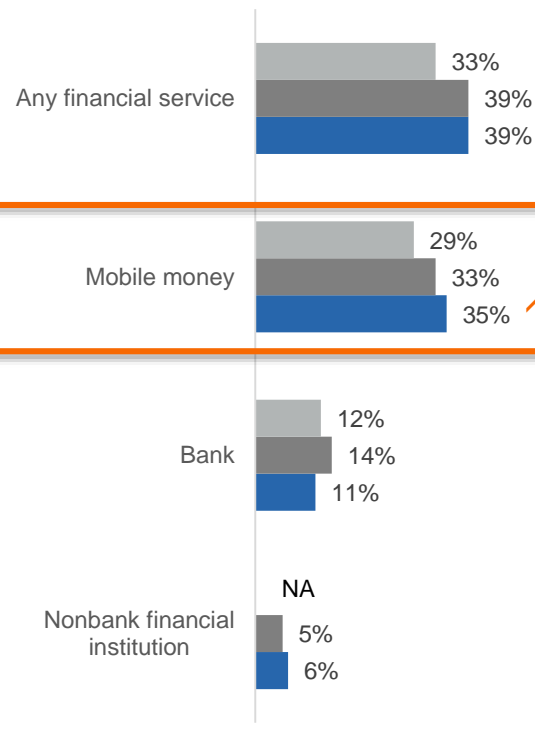
Uganda at-a-glance: Mobile money drove increased engagement with financial services from 2013 to 2015

Financial account access

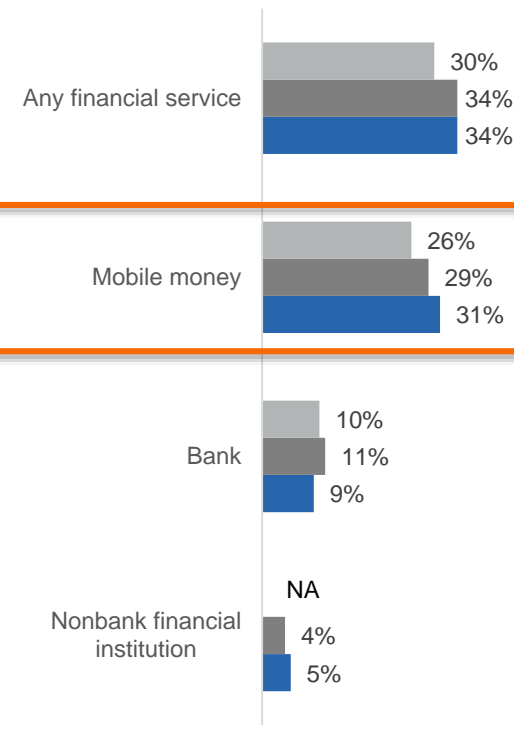


Registered financial service users

(Shown: Percentage of Ugandan adults for each year)



Active financial service users



■ 2013 (N=3,000) ■ 2014 (N=3,001) ■ 2015 (N=3,000)

Types of account ownership are not mutually exclusive.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December 2013; Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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FII Uganda Tracker Survey details

Survey Summary

- Annual, nationally representative survey (N=3,000) of Ugandan adults aged 15+
- Face-to-face interviews lasting, on average, 66 minutes
- Third survey (wave 3) conducted from 7/1/2015 to 8/2/2015
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted in 2013, and second survey conducted in 2014

Data Collection

- Basic demographics and poverty measurement (Grameen Progress Out of Poverty Index)
- Access/use of mobile devices
- Access/use of mobile money
- Access/use of formal financial services (e.g., bank accounts)
- Access/use of semi-formal and informal financial services (e.g., SACCO, cooperatives, self-help groups)
- Financial literacy and preparedness
- General financial behaviors

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Survey demographics

% of survey	
Gender	
Male	46%
Female	54%
Geography	
Urban	25%
Rural	75%
Income	
Above the \$2.50/day poverty line	27%
Below the \$2.50/day poverty line	73%

% of survey	
Age	
15-24	35%
25-34	23%
35-44	18%
45-54	12%
55+	12%
Aptitude	
Basic literacy	57%
Basic numeracy	80%

Figures are weighted to reflect national census data demographics.

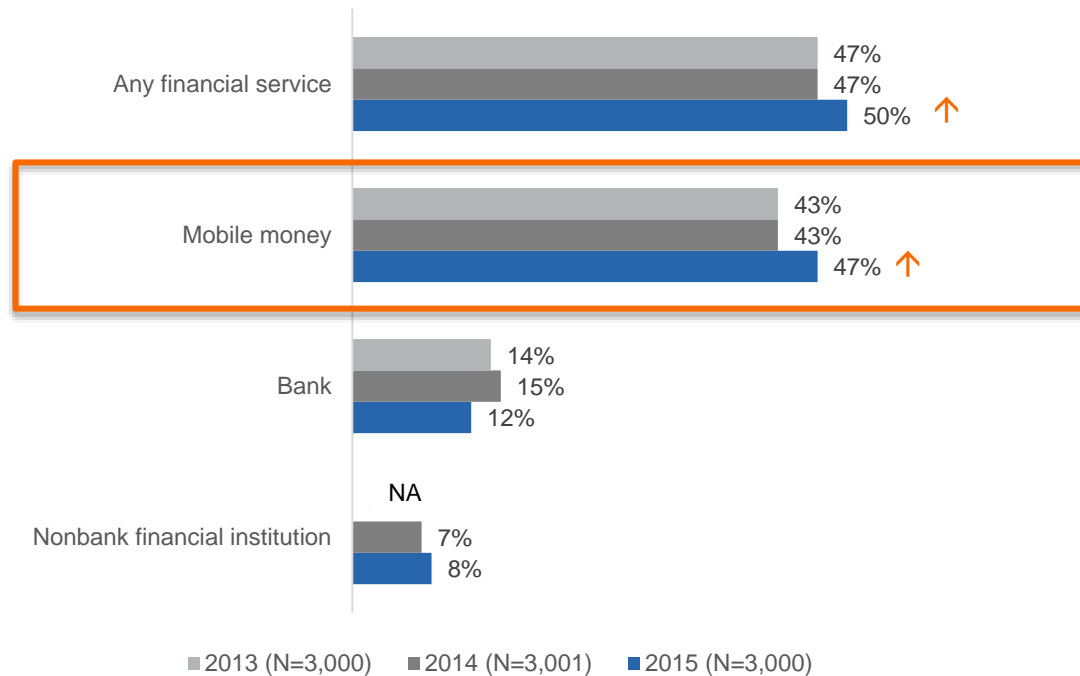
Source: InterMedia Uganda FII Tracker survey (N=3,000, 15+), July-August 2015.

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Access to financial services grew steadily from 2013-2015 mostly due to increase in access to mobile money services

Access to financial services

(Shown: Percentage of Ugandan adults for each year)



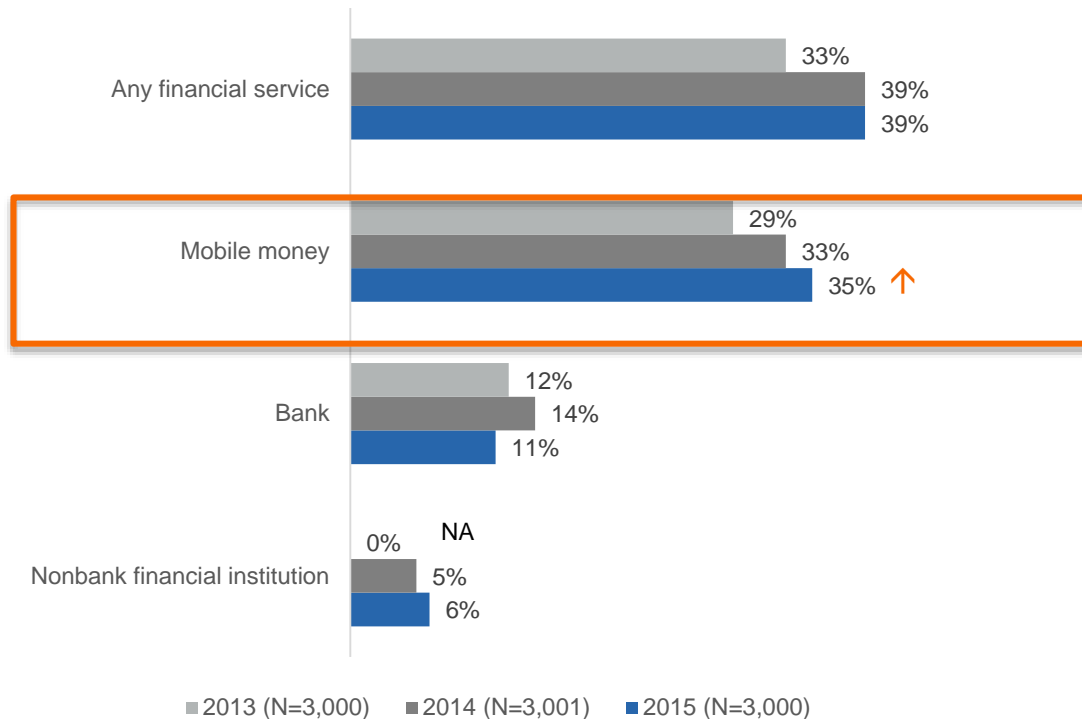
Types of accounts are not mutually exclusive.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, Wave 2 (N=3,001, 15+) June-July, 2014, Wave 3 (N=3,000, 15+), July-August, 2015.

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More Ugandans now have a registered financial account vs. 2013

Registered financial service users
(Shown: Percentage of Ugandan adults for each year)



Types of accounts are not mutually exclusive.

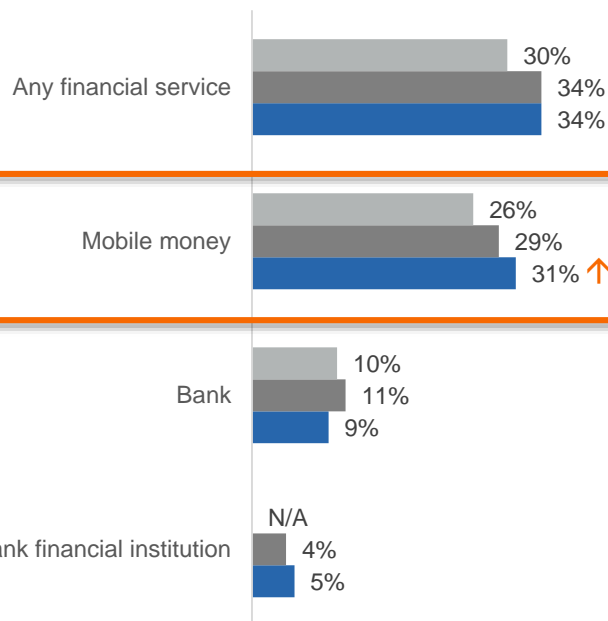
Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December, 2013, Wave 2 (N=3,001, 15+) June-July, 2014, Wave 3 (N=3,000, 15+), July-August, 2015.

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There is greater mobile money active use in the marketplace compared with 2013; most registered accounts are active

Active* financial account holders

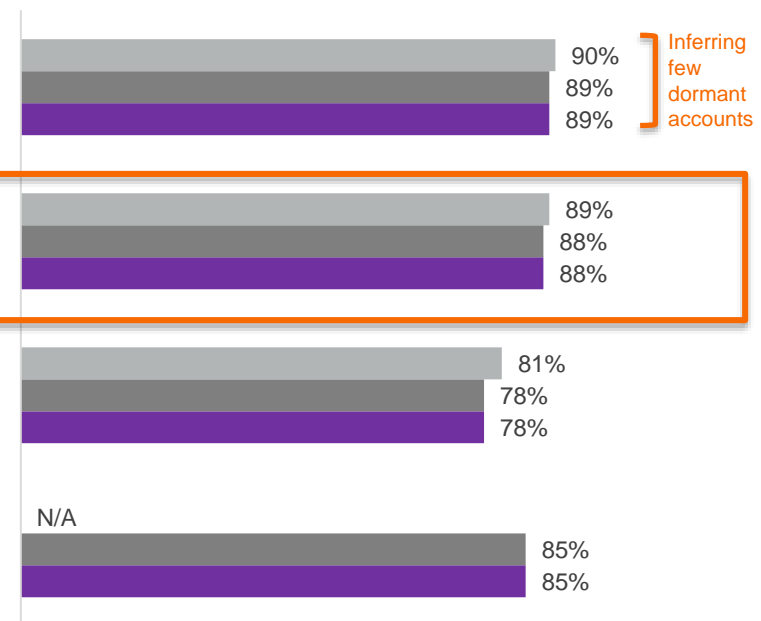
(Shown: Percentage of Ugandan adults)



■ 2013 (N=3,000) ■ 2014 (N=3,001) ■ 2015 (N=3,000)

Active* financial account holders

(Shown: Percentage of registered users for each type of account, by year)



Inferring few dormant accounts

■ 2013 ■ 2014 ■ 2015

*A registered DFS account used in the last 90 days. Types of accounts are not mutually exclusive.

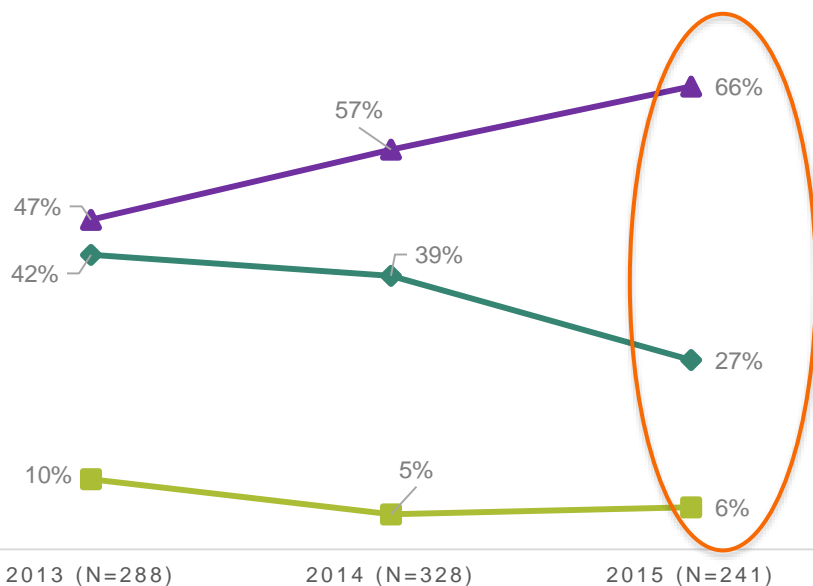
Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December 2013; Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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More active bank and mobile money account holders are using their accounts for advanced activities

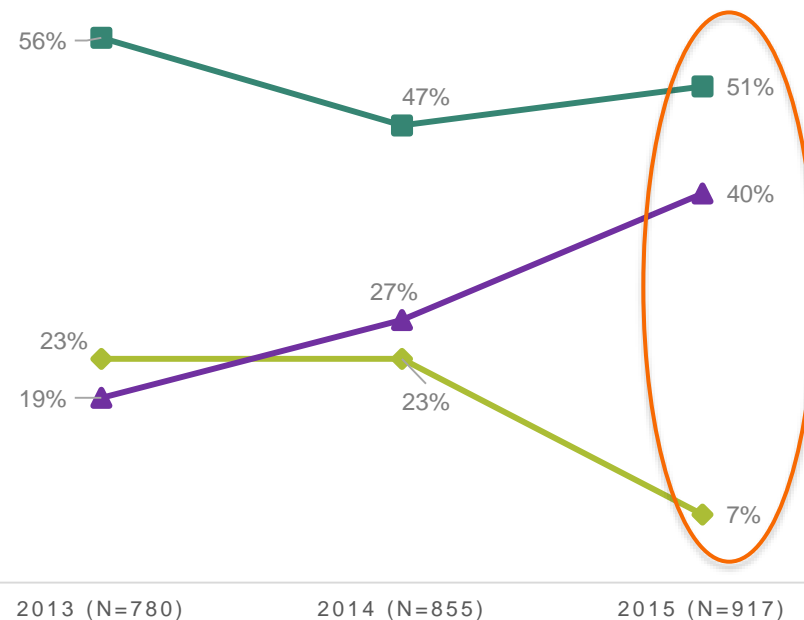
Bank uses, by type

(Shown: Percentage of active bank account holders)



Mobile money uses, by type

(Shown: Percentage of active mobile money account holders)



- ◆ Basic activities only (CICO and account management)
- Basic activities and P2P only
- ▲ At least one advanced activity

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- Basic activities and P2P only
- ▲ At least one advanced activity

Due to the changes in the questionnaire some data points may not be directly comparable across years.

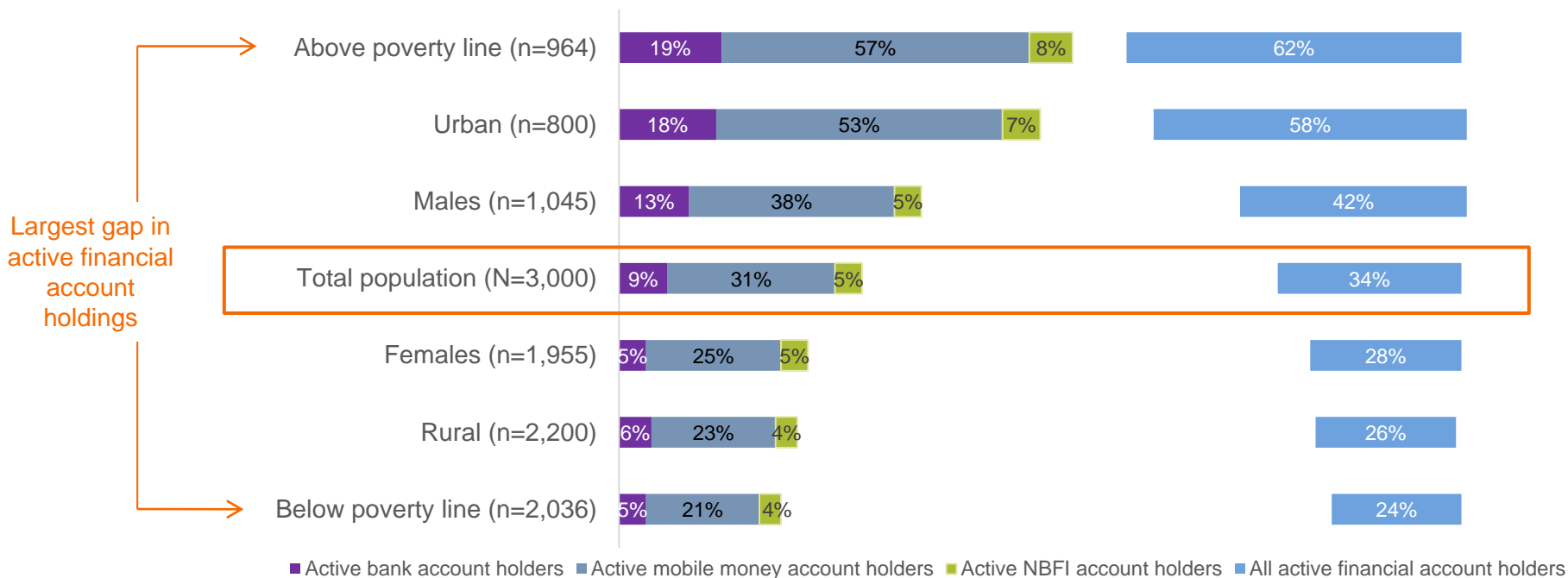
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There is more disparity within active account usage by poverty level than urbanicity and gender

2015: Active account usage by demographic

(Shown: Percentage of each subgroup)



Types of accounts are not mutually exclusive.

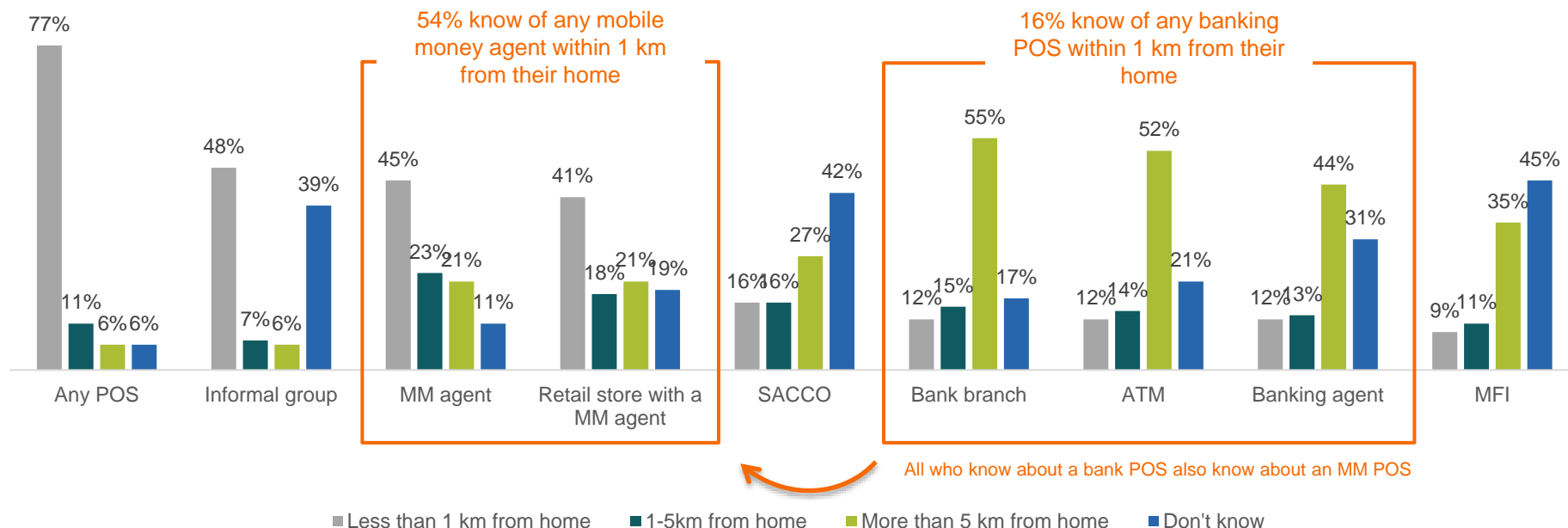
Source: InterMedia Uganda FII Tracker survey Wave 3 (N=3,000, 15+), July-August 2015.

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Consumers know of an informal financial group or mobile money (MM) agent within 1km of where they live; banks, ATMs are farther away

2015: Proximity to points-of-service (POS) for financial institutions

(Shown: Percentage of Ugandan adults N=3,000)



Source: InterMedia Uganda FII Tracker survey Wave 3 (N=3,000, 15+), July-August 2015.

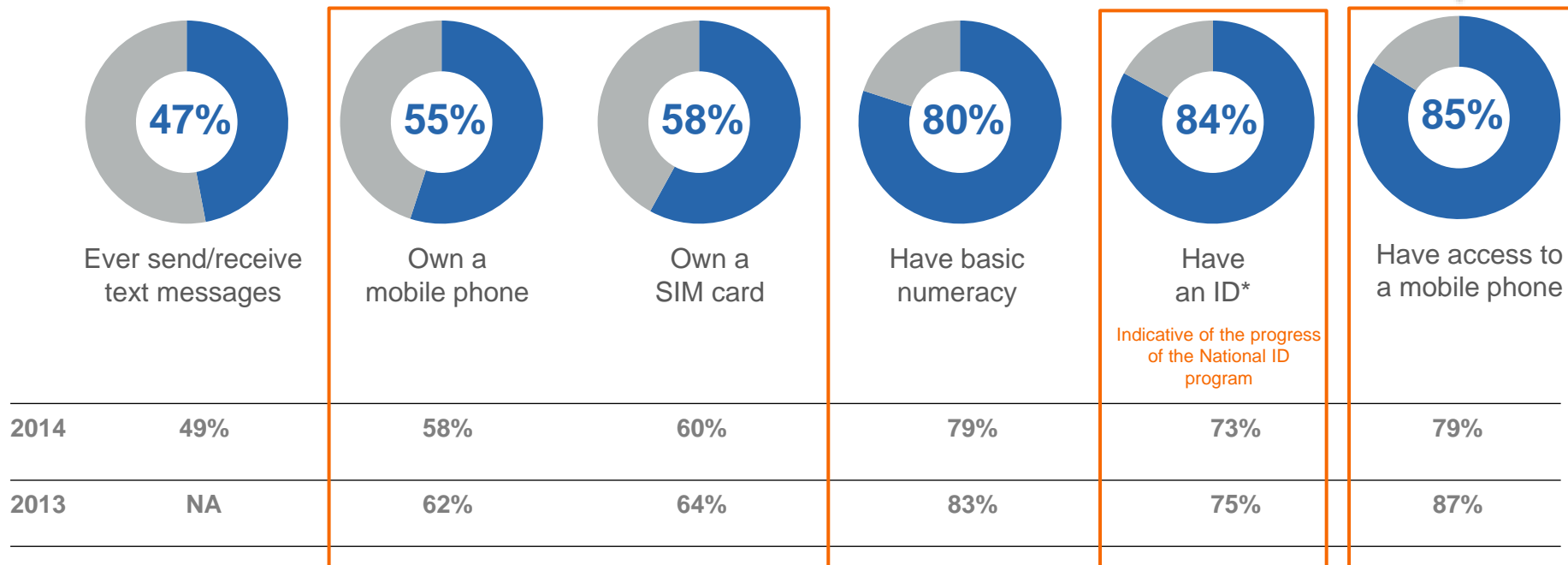
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More now have the necessary ID for opening an account; for many, a lack of equipment and skills remains a challenge

2015: Key indicators of preparedness for digital financial services

(Shown: Percentage of Ugandan adults, N=3,000)

Government-driven cancellations of inactive SIM cards had indirect negative impact on mobile phone use



*Identification documents (ID) necessary for registering a mobile money or a bank account include one of the following: a National ID, passport, voter's card, driver's license, company or government ID, taxpayer certificate or LC certificate.

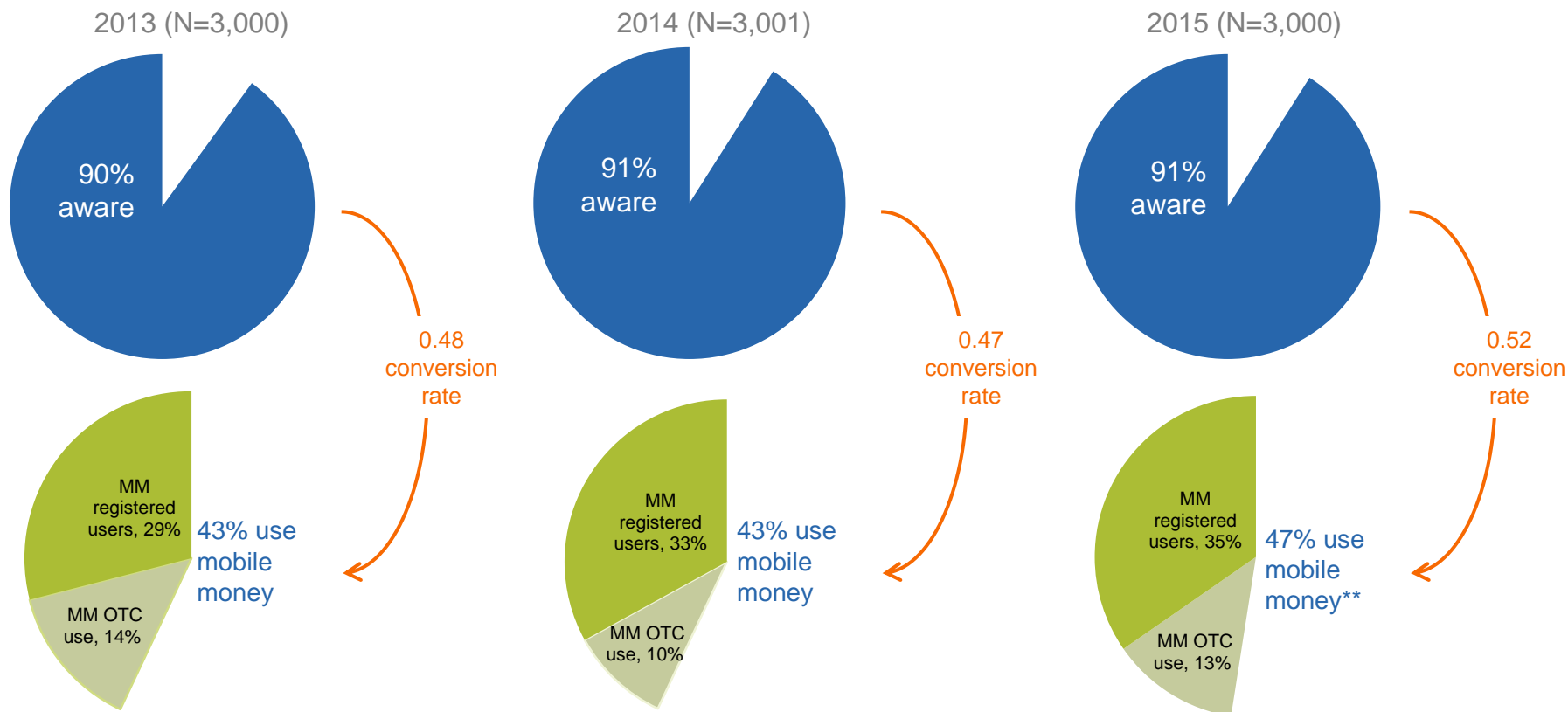
Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December 2013; Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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Awareness of mobile money providers is consistent and near universal; a wide gap remains between awareness and usage

Conversion from awareness* to mobile money use

(Shown: Percentage of Ugandan adults for each year)



*Awareness of at least one mobile money provider. **Percentages add up to 48% due to statistical rounding.

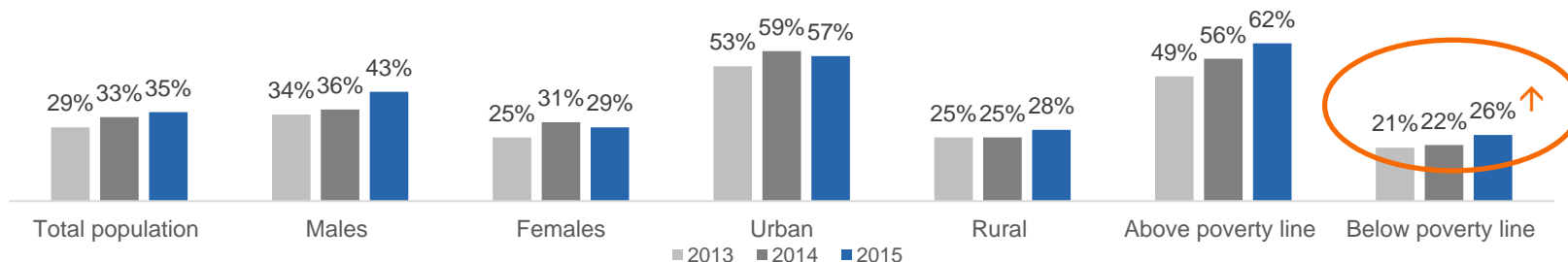
Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December 2013; Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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There's a higher rate of mobile money account ownership among those living below the poverty line vs. 2013

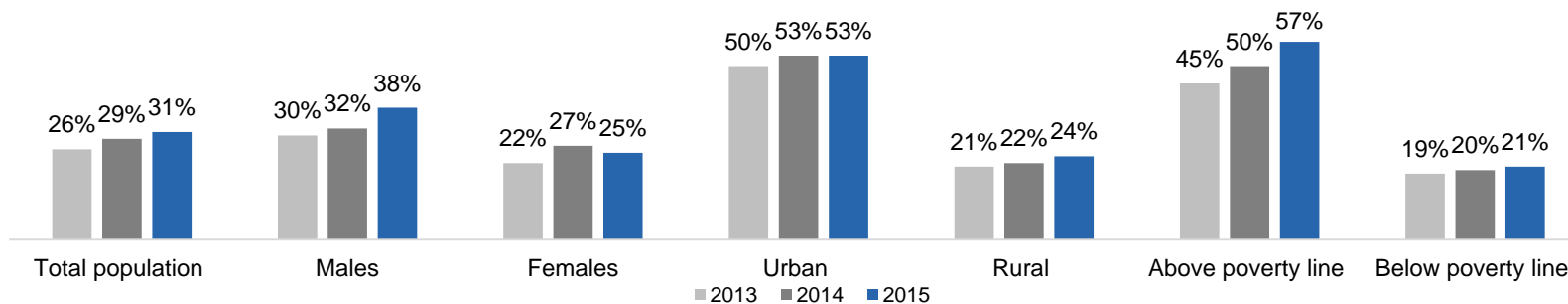
Demographic trends for **all** registered mobile money account use

(Shown: Percentage of Ugandan adults who fall into each category*)



Demographic trends for **active** registered mobile money account use

(Shown: Percentage of Ugandan adults who fall into each category*)



*Categories are not mutually exclusive.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December 2013; Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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Saving and bill pay dominate the use of advanced services among active users, showing growth vs. 2014

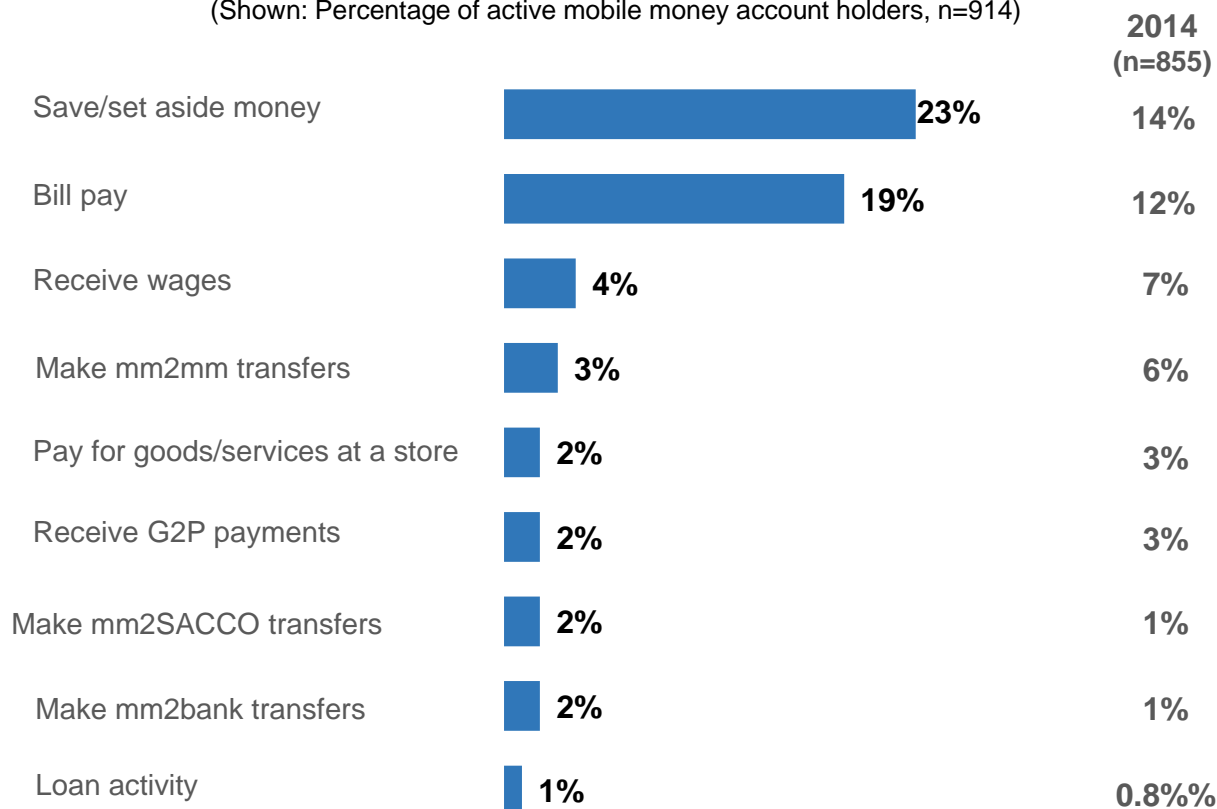
2015: Advanced mobile money account uses

(Shown: Percentage of active mobile money account holders, n=914)

40%

of active registered users have used at least one advanced mobile money function

(vs. 27% in 2014 and 19% in 2013)



Due to the changes in the questionnaire some data points may not be directly comparable across years.

Question allowed for multiple responses.

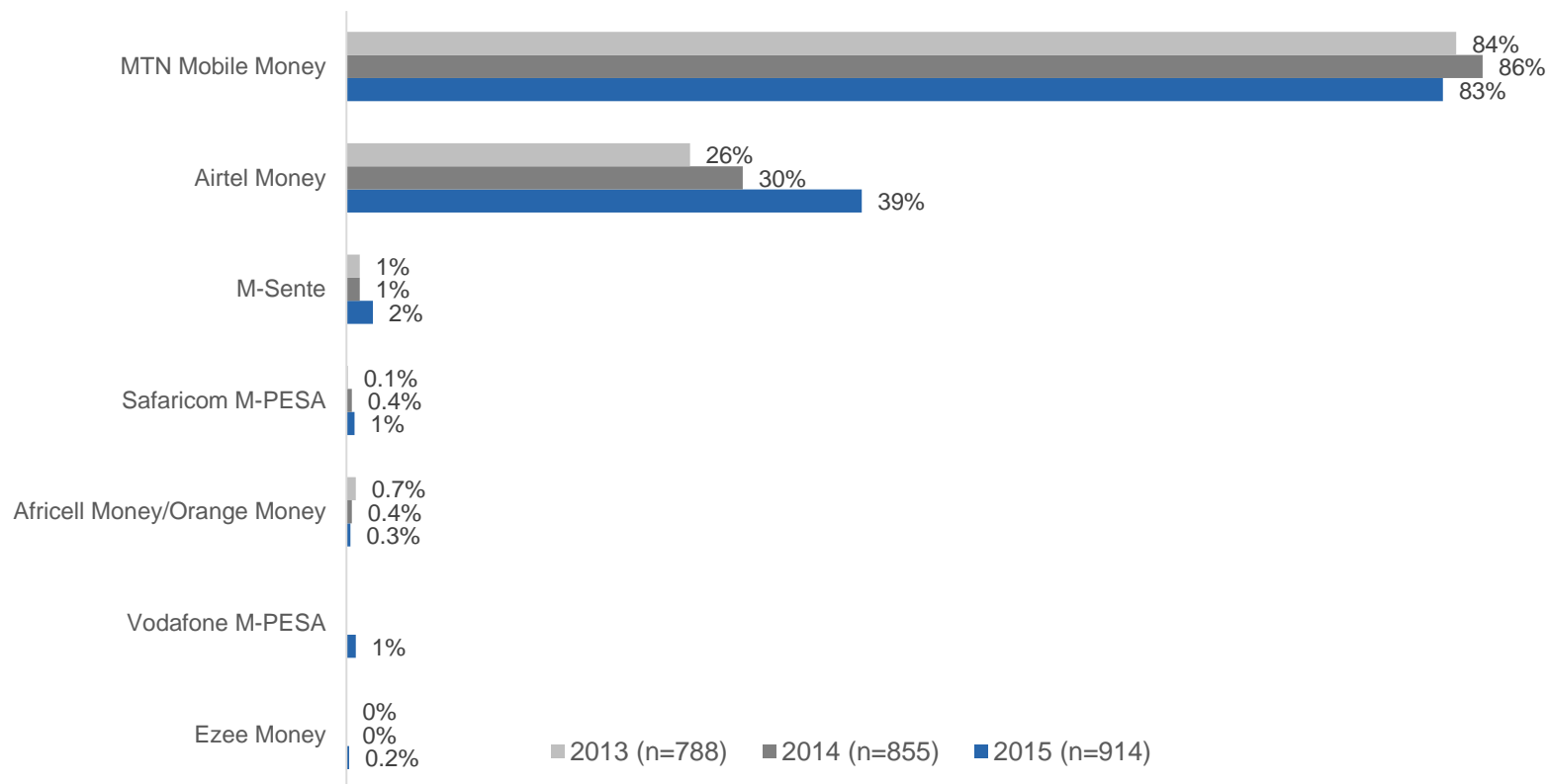
Source: InterMedia Uganda FII Tracker surveys Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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MTN Mobile Money remains a dominant market provider; Airtel Money continues to increase its market share

Active mobile money provider account holdings

(Shown: Percentage of active mobile money account holders who report using selected providers, by year)



Active mobile money account holders can have accounts with more than one provider.

Source: InterMedia Uganda FII Tracker surveys Wave 1 (N=3,000, 15+), September-December 2013; Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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Most mobile money users are still drawn to the service as a remittance channel; P2P transfers and CICO drive the service use

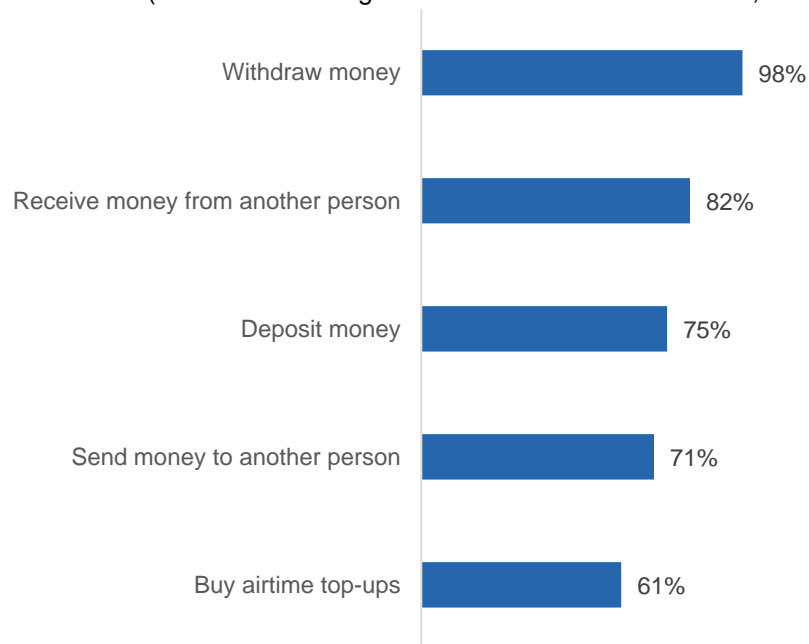
2015: Top reasons active account holders start to use mobile money (MM)

(Shown: Percentage of active bank account holders, n=917)



2015: Top uses of mobile money services among active account holders

(Shown: Percentage of active bank account holders, n=917)



Question allowed for multiple responses.

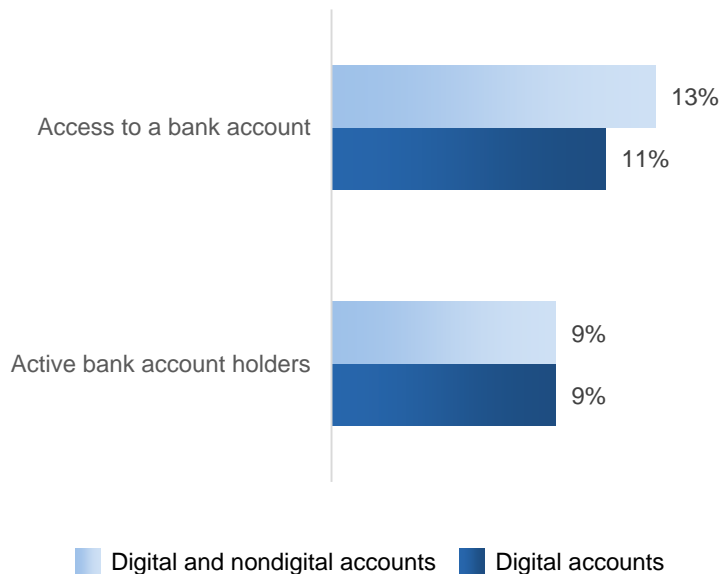
Source: InterMedia Uganda FII Tracker survey Wave 3 (N=3,000, 15+), July-August 2015.

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Almost all Ugandans who had used a bank account had digital access to that account

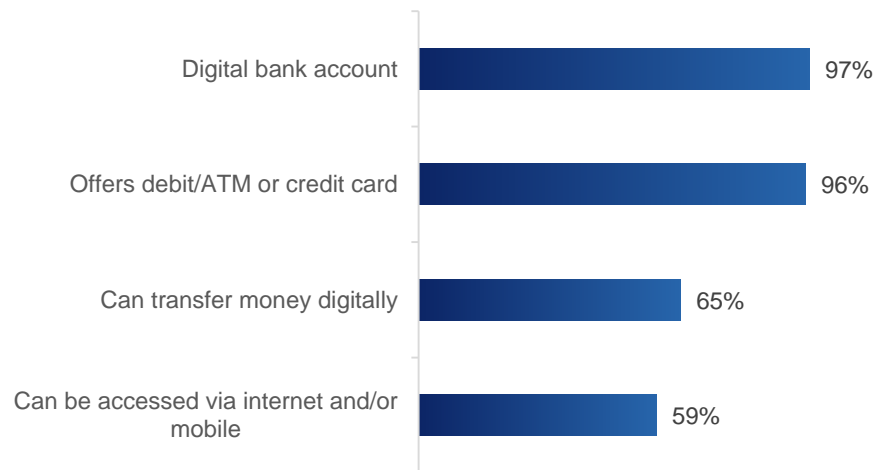
2015: Digital bank account access and usage

(Shown: Percentage of Ugandan adults, N=3,000)



2015: Digital access among active bank account holders

(Shown: Percentage of active bank account holders, n=241)

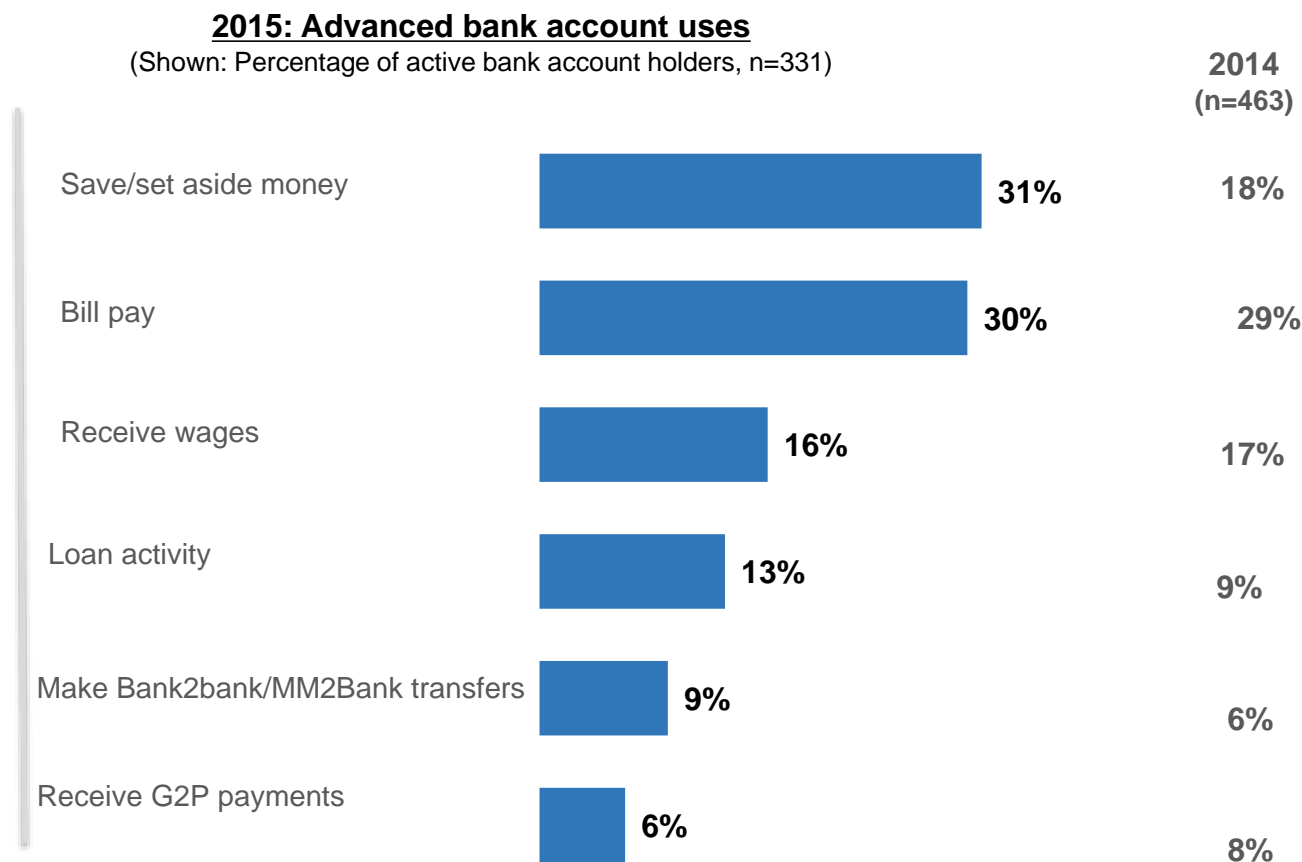


Digital bank accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

Source: InterMedia Uganda FII Tracker survey (N=3,000, 15+), July-August 2015.

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Almost two-thirds of all bank users are engaged in advanced financial activities



Due to the changes in the questionnaire some data points may not be directly comparable across years.

Question allowed for multiple responses.

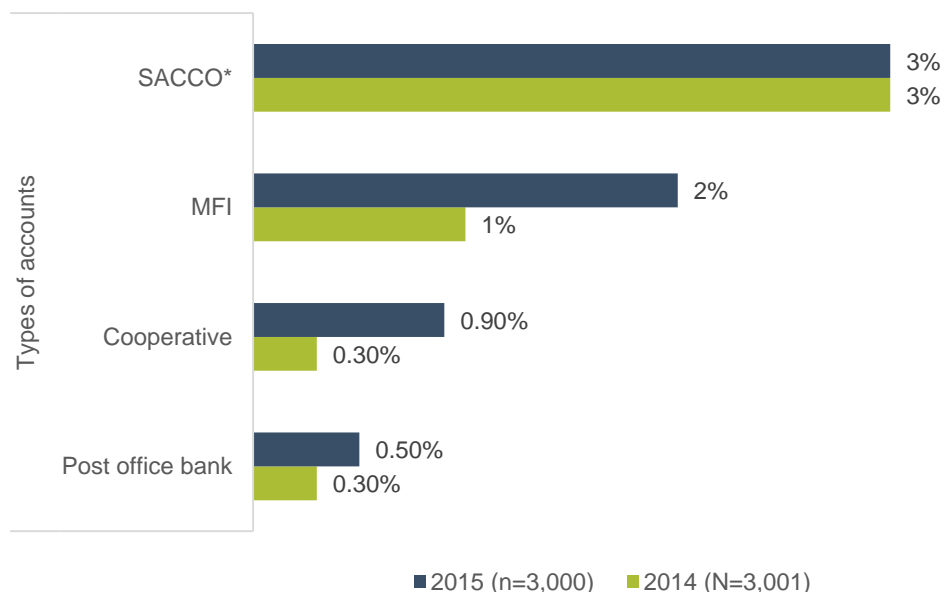
Source: InterMedia Uganda FII Tracker surveys Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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SACCO is the more common NBFi; usage is static versus 2014

Financial institution registration and use, by year

(Shown: Percentage of NBFi account holders among the total population, by year)



2015: NBFi use

(Percentage of NBFi account holders among the total population, N=3,000)

	Ever used	Active use
SACCO	5%	3%
MFI	2%	1%
Cooperative	1%	0.8%
Post office bank	0.8%	0.5%

*Savings and credit cooperative

Source: InterMedia Uganda FII Tracker surveys Wave 2 (N=3,001, 15+), June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

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Almost two in five have digital stored-value accounts; many now use them as an access channel for other financial services

Main FSP Indicator	2014	2015	Base Definition
	%	%	
	Base n	Base n	
Adults (15+) who have active digital stored-value accounts	33%	33%	All adults
	3,001	3,000	
Poor adults (15+) who have active digital stored-value accounts	22%	23%	All poor
	2,171	2,036	
Rural women (15+) who have active digital stored-value accounts	22%	19%	All rural females
	1,127	1,375	
Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)	10%	13%	All adults
	3,001	3,000	
Poor adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)	5%	8%	All poor
	2,171	2,036	
Rural women (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P and bill pay)	5%	6%	All rural females
	1,127	1,375	

Digital stored-value accounts: accounts in which a monetary value is represented in a digital electronic format and can be retrieved/transferred by the account owner remotely. For this particular study, DSVAs include a bank account or NBFi account with digital access (a card, online access or a mobile phone application) and a mobile money account.

Source: InterMedia Uganda FII Tracker surveys Wave 2 (N=3,001, 15+) June-July 2014; Wave 3 (N=3,000, 15+), July-August 2015.

GLOSSARY

- **Access** – Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person.
- **Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.
- **Adults with DFS access** – Adults who either own a DFS account or have access to someone else’s account.
- **Below the poverty line** - In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.
- **Cooperative** – Typically, a business or other professional organization that is owned and run jointly by its members, who share the profits or benefits. Cooperatives can release some of the profits/funds as loans to its members.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.).
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line.
- **Microfinance institution (MFI)** – An organization that offers financial services to low income populations. Almost all give loans to their members, and many offer insurance, deposit and other services.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.
- **Nonbank financial institution (NBFI)** – A financial organization that is not formally licensed as a bank or a mobile money provider, but whose activities are regulated, at least to some extent, by the central bank of the respected country (e.g., the Bank of Uganda). Such financial institutions include microfinance institutions (MFI), cooperatives, Post Office Banks and savings and credit cooperatives (SACCOs).
- **Post Office (Savings) Bank** – A bank having branches at local post offices.
- **Savings and credit cooperative (SACCO)** – A unique member driven, self-help group, which is owned and managed by its members who have a common bond (e.g., work for the same employer, belong to the same church, live in the same village, etc.). All members contribute to the SACCO fund, which can be used for group investment or a part of which can be given to members as loans.
- **Unregistered/OTC user** – An individual who has used DFS through someone else’s account, including a mobile money agent’s account or an account of another person (e.g., a family member or a neighbor).
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

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