UGANDA

QUICKSIGHTS REPORT
FIFTH ANNUAL FII TRACKER SURVEY

Conducted July-August 2017

June 2018
What is financial inclusion?
Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way (The World Bank). Financially included individuals are those who have an account in their name with a full-service financial institution.

How is it measured?
We measure financial inclusion as the percentage of adults (15+ years old) who report having at least one account in their name with an institution that offers a full suite of financial services, and comes under some form of government regulation.

How is it created?
Financial inclusion is created through the uptake and use of individual accounts with institutions that offer a full suite of financial services – savings, credit, money transfers, insurance and investment. Full-service financial institutions include banks, mobile money service providers, and nonbank financial institutions, such as deposit-taking microfinance institutions (MFIs) and financial cooperatives.

What institutions and services do not count?
Individuals who own accounts with institutions that are not full service, such as credit-only microfinance institutions (MFIs), are not considered financially included. Individuals who do not have their own full-service account or use someone else’s account are not considered financially included. Individuals who only use services such as money guards, savings collectors, and digital recharge cards that are not attached to a bank or MFI account are also considered financially excluded.
KEY DEFINITIONS

Access to a bank – Counts individuals who use a full-service bank account either registered in their name or held by someone else.

Access to mobile money or an NBFI – Counts individuals who have ever used a mobile money service or a full-service NBFI.

Access & trial – Counts individuals who have a bank account registered in their name or use a bank account that is registered to someone else, or have ever used a mobile money service, or a full-service NBFI.

Active registered user – An individual who has an account registered in their name with a full-service financial institution and has used it in the last 90 days.

Advanced user – An active registered user who has ever used their account for saving, borrowing, insurance, investment, paying bills or receiving wages or government benefits. Buying airtime top-ups is considered an advanced use of a bank account or NBFI account but not a mobile money account.

Airtime – Minutes of talk time available on a mobile phone. Airtime top-up (adding minutes) is a basic mobile money activity, but is considered an advanced bank or NBFI activity.

Basic use – Cash-in (deposit) or cash-out (withdraw), transfer money to another individual, or conduct account maintenance.

Below the poverty line – In this particular study, adults living on less than $2.50 per day in 2005 purchasing power parity U.S. Dollars, as classified by the Poverty Probability Index.

Confidence interval (95%) – The range of values within which the observed value of a statistic will be found in 95 out of 100 repeat measurements.

Cooperative – Typically, a business or other professional organization that is owned and run jointly by its members, who share profits or benefits. Cooperatives may release some of the profits/funds as loans to its members.

Credit-only nonbank financial institutions – Financial institutions that only disburse loans to their customers and are therefore not considered full service.

Customer journey – A series of progressive stages through which individuals become more active users of more sophisticated financial services.

Digital financial inclusion – Counts individuals who have an account in their name with a full-service financial institution that offers digital services (e.g., online account access, debit/ATM card, credit card, electronic cash transfers).

Digital financial services (DFS) – Financial services provided through an electronic platform (e.g., mobile phones, debit or credit electronic cards, internet).

Digital stored-value account – A mobile money account or a full-service bank or NBFI account that offers digital services.

Financial inclusion – Individuals who hold an account with an institution that provides a full suite of financial services and comes under some form of government regulation.

Financial literacy – Basic knowledge of four fundamental concepts in financial decision making (interest rates, interest compounding, inflation, and risk diversification) as measured by the Standard and Poor’s Rating Service’s Global Financial Literacy Survey.

Full-service financial institutions – Financial institutions that offer loans to their customers and at least one of the following additional services: savings, money transfers, insurance, or investments.

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 that allows a mobile phone to be used for storing and transferring money, and potentially accessing other 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 within the country. Such financial institutions include microfinance institutions (MFIs), cooperatives, Post Office (Savings) Banks and savings and credit cooperatives (SACCOS), etc.

Numeracy – The ability to use basic math skills, including counting, addition, division, multiplication and computing short- and long-term interest rates.

Post Office (Savings) Bank – A bank that offers savings and money transfers and has branches at local post offices.

Poverty Probability Index (PPI) – A measurement tool wherein a set of country-specific survey questions are used to compute the likelihood that an individual’s income is below a specific threshold.

Registered user – Counts individuals who have a financial account registered in their name or registered jointly in their and someone else’s name.

Savings and credit cooperative (SACCO) – A self-help group owned and managed by its members. Its main purpose is to build up funds through regular contributions by each member, with the aim of providing affordable credit and collective investments.

Unregistered/over-the-counter (OTC) user – An individual who has used a financial service through someone else’s account, including a mobile money agent’s account or the account of 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.

Value-added services – These are non-core financial services that go beyond the standard services provided by financial institutions.
ABOUT THE SURVEY

- Nationally representative sample of 3,001 adults aged 15+ residing in households.
- Results at national level, and for urban and rural separately.
- Sample designed by InterMedia in collaboration with the Uganda Bureau of Statistics.
- The survey subsampled the 2016/2017 Uganda National Household Survey (UNHS). Stratified multistage sample:
  - Stratification by urban/rural within each subregion.
  - First stage: Selection of 292 census EAs (81 EAs in urban and 211 EAs in rural).
  - Second stage: Selection of 12 households per sampled EA.
  - Third stage: Random selection of one adult member per household.
- Face-to-face interviews using smartphones.
- Sampling weights: Design weight based on the probability of selection for each stage of sampling adjusted for non-response at the household and household member levels. Sampling weights normalized at the national level so that the weighted number of cases equals the sample size.
- Weights used to make inferences about the target population (15 years old and over) at the national level and for urban and rural populations separately. Weighted percentages are reported together with unweighted respondent counts.

### 2017: National demographics
(Shown: Percentage of Uganda adults, N=3,001)

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48</td>
</tr>
<tr>
<td>Female</td>
<td>52</td>
</tr>
<tr>
<td>Urban</td>
<td>27</td>
</tr>
<tr>
<td>Rural</td>
<td>73</td>
</tr>
<tr>
<td>Above the $2.50/day poverty line</td>
<td>43</td>
</tr>
<tr>
<td>Below the $2.50/day poverty line</td>
<td>57</td>
</tr>
<tr>
<td>Age: 15-24</td>
<td>32</td>
</tr>
<tr>
<td>25-34</td>
<td>24</td>
</tr>
<tr>
<td>35-44</td>
<td>16</td>
</tr>
<tr>
<td>45-54</td>
<td>13</td>
</tr>
<tr>
<td>55+</td>
<td>15</td>
</tr>
<tr>
<td>Basic literacy</td>
<td>43</td>
</tr>
<tr>
<td>Basic numeracy</td>
<td>96</td>
</tr>
</tbody>
</table>

The Bank of Uganda and the Ministry of Finance, Planning and Economic Development launched the National Financial Inclusion Strategy (NFIS) 2017-2022 in October 2017 to promote financial inclusion. The NFIS’s vision is that “all Ugandans have access to, and use, a broad range of quality and affordable financial services.” The NFIS builds on the key successes of the Government’s 2012 financial inclusion program, which included developing and implementing the 2013-2017 strategy for financial literacy in Uganda; issuing financial consumer protection and mobile money guidelines in 2013; amending the 2004 Financial Institutions Act to allow for agency and Islamic banking; and the geospatial mapping of financial points of service across the country. The NFIS’s objectives are to:

- Reduce financial exclusion and barriers to access financial services;
- Develop the credit infrastructure;
- Build digital infrastructure;
- Deepen and broaden formal savings, investments and insurance usage; and,
- Protect and empower individuals with enhanced financial capability.

The growth of Uganda’s economy accelerated in 2017 to 4.8 percent of GDP. Growth is expected to increase in 2018 across manufacturing, construction, and service sectors, boosted by public infrastructure investment. Broad-based economic growth should support growth in employment, wages, and incomes, and provide favorable conditions for expanded financial inclusion and uptake of advanced financial products and services.

In October 2017, the Bank of Uganda reduced its benchmark interest rate to 9.5 percent to support growth in private sector credit and strengthen economic growth. Reducing the cost of credit should support financial inclusion by facilitating borrowing.

The Bank of Uganda continued to implement regulations and policies intended to expand financial inclusion.

- In June 2017, the Postal Bank of Uganda launched the “Scaling Up Remittances and Financial Inclusion in Uganda” project to leverage its post offices for remittance delivery, especially for those in poor rural communities and refugee settlements. Post offices will be equipped with modern technologies, and postal workers will receive training on how to use them.
- In July 2016, the parliament passed the Tier 4 Microfinance Institutions and Money Lenders Act, 2016. The law brings Tier 4 nonbank financial institutions (NBFIs) (e.g., SACCOs, non-deposit-taking microfinance institutions, self-help groups, and community-based microfinance institutions), under the Uganda Microfinance Regulatory Authority (UMRA). UMRA intended to promote the stability of these institutions and build consumer confidence through new regulations designed to protect consumers from losses if their NBFI faces insolvency.

Private and public sector partnerships continue to support the government’s financial inclusion goals by facilitating broader access to digital financial services through new transaction platforms and a range of new products.

- MTN Uganda and the National Social Security Fund (NSSF) announced a partnership in September 2017 that enables payment of social security contributions using MTN Mobile Money.
- The FinTech (financial technology) Association of Uganda launched in August 2017 to promote regulations that support financial inclusion through technological innovation.
- Close to one-half of adults (46%) were financially included in 2017, mainly via mobile money (43%), followed by banks (11%) and non-bank financial institutions (NBFI) (7%). Mobile money and NBFI account owners grew by 5 and 3 percentage points, respectively, versus 2016. The proportion of adults who hold bank accounts increased slightly, but the increase was not statistically significant.
- The percentage of adults who accessed financial services increased by 8 percentage points, from 55% in 2016 to 63% in 2017. The growth in access was due to the substantial increase in the proportion of the population that used mobile money, now, at 61%.
- Thirty-eight percent of adults were active users (used their accounts in the 90 days preceding the survey).
- The proportion of the population that took up advanced use cases (beyond basic transfers and cash-in, cash-out) also grew by 5 percentage points to 28% in 2017, compared to 23% in 2016.

Mobile money continued to drive financial inclusion; 94% of financially included adults had a mobile money account in 2017.
- Additionally, nearly one-fifth (19%) of the adult population were unregistered, over-the-counter (OTC) users of mobile money. Within this unregistered user group, 19% reported using mobile money for “saving,” or safely storing cash in the form of e-money while waiting to cash out with an agent after receiving a transfer. This group of savers is likely to progress to account registration and advanced use.
- Uptake of mobile money continued to surpass that of banks and NBFI, though commercial banks are expected to benefit from the recent rollout of agency banking, which allows third-party agents to provide banking services outside of bank offices.
- Consumers were more likely to know of a mobile money point of service than any other financial access point.

Limited phone ownership and lack of digital skills constrain the growth of digital financial inclusion.
- Forty-six percent of adults did not own a mobile phone. Additionally, 45% were not able to send or receive a text, which is a strong proxy indicator of lack of ability to use mobile money.

NOTABLE STATISTICS

- **Financially included**: 46%
  - 43% have a registered mobile money account
  - 11% have a full-service bank account
  - 7% have a full-service NBFI account

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

ACCESS & TRIAL OF FINANCIAL SERVICES

• From 2016 to 2017, the proportion of adults who accessed formal financial services increased 8 percentage points—the largest annual increase ever recorded by the FII surveys in Uganda. This increase accounted for half of the growth in access since 2013, when 47% of the population had access, compared to 63% in 2017.
• Bank and NBFI access showed no growth; the proportion of the adult population who accessed branch banking and NBFI services is statistically unchanged over the survey waves since 2013.

Access & trial
(Shown: Percentage of Uganda adults, by year)

Source: InterMedia Uganda FII Tracker surveys, Wave 1 (N=3,000, 15+), September-October 2013; Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
REGISTERED USERS (FINANCIAL INCLUSION)

• Since 2013, the percentage of adults who have financial accounts with a formal full-service institution has grown from 33% to 46% in 2017. Nearly all registered users have mobile money accounts.

• While registered bank users showed no growth, the proportion of NBFI account holders grew significantly, increasing by 3 percentage points between 2016 and 2017. This finding suggests that the Tier 4 regulatory reforms are working to promote the expansion of NBFI account ownership.

Registered users
(Shown: Percentage of Uganda adults, by year)

43% of adults were registered mobile money users. Since 2013, mobile money has been the main driver of all growth in financial inclusion.

Source: InterMedia Uganda FII Tracker surveys, Wave 1 (N=3,000, 15+), September-October 2013; Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
ACTIVE REGISTERED USERS

- In 2017, the proportion of the adult population who used their registered account in the last 90 days increased 5 percentage points, from 33% in 2016 to 38% in 2017. This increase in active users is the largest annual gain since 2013, accounting for over half of the growth in this indicator in the past five years.

- Compared to other account types, mobile money account holders were more likely to be active users, or to use their mobile money account actively instead of their bank or NBFI account.

**Active registered users**  
(Shown: Percentage of Uganda adults, by year)

- Over four in five mobile money account holders used their accounts actively (in the 90 days before the survey).

Source: InterMedia Uganda FI Tracker surveys, Wave 1 (N=3,000, 15+), September-October 2013; Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
ADVANCED USERS

- An additional 5 percent of the adult population joined the advanced user group (actively used a financial account and accessed an advanced service) from 2016 to 2017. This growth was driven by an increase in users who performed advanced activities — mainly saving and paying bills — using mobile money accounts.

- Advanced NBFI and bank account users are a small proportion of adults — 4% and 7%, respectively. The slight increases in the size of these user groups over 2016 were not statistically significant.

58% of registered mobile money users used their accounts for an advanced service in the 90 days before the survey.

*2013 definition of advanced users is not comparable with later years

Source: InterMedia Uganda FI Tracker surveys, Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
In 2017, 43% of adults had a mobile money account, and were, therefore, digitally included. An additional 2% of the population was digitally included only via a bank or NBFI account. NBFI accounts are the least likely to have digital features.

The difficulty of obtaining national identification cards, and strict requirements that all SIM cards are registered using the IDs, have constrained the growth of mobile phone ownership and registered users of mobile money.

**DIGITAL FINANCIAL INCLUSION**

- In 2017, 43% of adults had a mobile money account, and were, therefore, digitally included. An additional 2% of the population was digitally included only via a bank or NBFI account. NBFI accounts are the least likely to have digital features.
- The difficulty of obtaining national identification cards, and strict requirements that all SIM cards are registered using the IDs, have constrained the growth of mobile phone ownership and registered users of mobile money.

READINESS TO ADOPT DIGITAL FINANCIAL SERVICES

• Limited digital readiness constrains the growth of DFS users in Uganda. While the large majority of adults (81%) have access to a mobile phone, only 59% own a SIM card and 55% have the ability to send or receive text messages — the key proxy indicator of ability to use a mobile money account on a phone. The increases in SIM ownership and ability to text from 2016 to 2017 suggest that digital readiness is increasing.
• Financial literacy increased to 24% in 2017, from 18% in 2016. This increase may reflect successful outcomes of the government’s Strategy for Financial Literacy in Uganda, launched in 2013.

2017: Key indicators of readiness to adopt digital financial services
(Shown: Percentage of Uganda adults, N=3,001)

<table>
<thead>
<tr>
<th>Year</th>
<th>Necessary ID</th>
<th>Mobile phone access (own/borrow)</th>
<th>Own a SIM card</th>
<th>Ability to send and receive text messages</th>
<th>Financial literacy</th>
<th>Basic numeracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>81%</td>
<td>81%</td>
<td>59%</td>
<td>55%</td>
<td>24%</td>
<td>96%</td>
</tr>
<tr>
<td>2016</td>
<td>89%</td>
<td>78%</td>
<td>54%</td>
<td>48%</td>
<td>18%</td>
<td>97%</td>
</tr>
<tr>
<td>2015</td>
<td>83%</td>
<td>85%</td>
<td>58%</td>
<td>47%</td>
<td>NA</td>
<td>80%</td>
</tr>
<tr>
<td>2014</td>
<td>73%</td>
<td>79%</td>
<td>60%</td>
<td>49%</td>
<td>NA</td>
<td>79%</td>
</tr>
</tbody>
</table>

Source: InterMedia Uganda FII Tracker surveys, Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.

8 percentage-point drop in the proportion of adults who have the necessary ID for opening an account due to new rules for obtaining IDs.
GEOGRAPHICAL ACCESS TO FINANCIAL SERVICES

• In 2017, 62% of the adult population knew of a mobile money agent within one kilometer of their home. In contrast, only 11% knew of a banking agent, 18% knew of a bank branch, and only 15% knew of an ATM within one kilometer. The rollout of agency banking following the Financial Institutions Act amendments of 2016 should result in increased access to banking services.

• After mobile money, informal savings and lending groups were the most accessible points of service; 43% of adults lived within one kilometer of an informal group.

• SACCOs are the most common type of NBFI in Uganda; 13% of the adult population lived within 1 kilometer of a point-of-service in 2017.

Financial inclusion may be conceived as a process through which an individual’s needs are met by advancing step-by-step towards increasingly active engagement with a growing range of financial services. The customer journey theory of change posits that advancement on the journey leads to gains in human welfare.

Understanding how individuals and groups advance on the customer journey is useful for developing strategies and interventions to assist more individuals to become users of the financial services that best meet their needs.

Five major segments of the population on the customer journey are described below. Each group is mutually exclusive of the others. The population shifts between these groups as more individuals make progress on the customer journey.

<table>
<thead>
<tr>
<th>NONUSERS</th>
<th>UNREGISTERED USERS</th>
<th>REGISTERED INACTIVE USERS</th>
<th>ACTIVE BASIC USERS</th>
<th>ADVANCED USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonusers are adults who have no access to or have never used a full-service financial institution. Nonusers have not started the customer journey.</td>
<td>Unregistered users are adults who do not have an account registered in their name but use a bank, mobile money, and/or NBFI service via another person’s account, especially over-the-counter mobile money services accessed via an agent.</td>
<td>Registered inactive users are adults who have a bank, mobile money, or NBFI account registered in their name but have not used it in the last 90 days.</td>
<td>Active basic users are adults who have used their registered bank, NBFI, or mobile money account to transfer money to another person, deposit or withdraw cash, and/or check their balance in the previous 90 days. Buying airtime using mobile money is also a basic use case.</td>
<td>Advanced users are adults who have used their registered bank, NBFI, or mobile money account in the previous 90 days and have ever used their account for saving, borrowing, investment, insurance, bill payment, merchant payment, receiving wages, and/or receiving government payments.</td>
</tr>
</tbody>
</table>
Since 2014, the proportion of the adult population who are nonusers of any formal financial institution decreased as members of this group embarked on the customer journey to financial inclusion. The proportion of unregistered users (nearly all over-the-counter users of mobile money) is trending upward, though growth leveled off between 2016 and 2017. Registered inactive users (did not use their account in the last 90 days) grew significantly from 2016 to 2017, driven by registration of both NBFI and mobile money accounts. The share of active basic users (transfers and cash-in, cash-out only) has been statistically unchanged since 2014, as more of the population converted to advanced use by adopting use cases such as saving (or secure storage of cash as mobile money), and bill pay. Advanced users increased sharply from 23% in 2016, to 25% in 2017, after registering no significant change from 2014 to 2016.

**CUSTOMER JOURNEY TREND**

Change over time in each segment of the customer journey for all financial institutions

(Shown: Percentage of Uganda adults, by year)

Source: InterMedia Uganda FII Tracker surveys, Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
NONUSERS, BY DEMOGRAPHIC GROUP

• Nonusers are most often rural women who live below the $2.50/day poverty line. Nonusers make up 43% of women, 44% of rural residents, and 53% of those who live below the poverty line.
• Only 20% of the urban population and 16% of the above-poverty population are nonusers.

Nearly two in five adults are nonusers of any formal financial services (37%).

UNREGISTERED USERS, BY DEMOGRAPHIC GROUP

- Unregistered users of financial services are predominantly over-the-counter (OTC) users of mobile money. There was minimal use of banks and NBFIs via an account registered to someone else, particularly among bank users.
- A greater proportion of women than men are OTC mobile money users, reflecting lower levels of digital readiness among women for using an account unassisted.
- OTC mobile money users are slightly more common in the urban and above-poverty demographics than the rural and below-poverty groups. The lack of substantial income and locality gaps reflects the ease of access to mobile money agents.

2017: Unregistered users, by demographic and service type
(Shown: Percentage of each demographic group who are unregistered users of each type of institution)

Almost 1 in 5 adults (19%) were OTC mobile money users in 2017.

*Fewer than 50 observations
OVER-THE-COUNTER (OTC) MOBILE MONEY USERS

- The uptrend in unregistered (OTC) mobile money users continued in 2017 and unregistered users have nearly doubled as a proportion of the population since 2014. The change from 2016 to 2017 was within the survey margin of error, and growth in registered mobile money users exceeded that of unregistered users over the same period.
- OTC users are overwhelmingly rural residents and younger than 35 years old. The majority are female and slightly more than half have incomes below the poverty line.

Source: InterMedia Uganda FII Tracker surveys, Wave 1 (N=3,000, 15+), September-October 2013; Wave 2 (N=3,001, 15+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
REGISTERED INACTIVE USERS, BY DEMOGRAPHIC GROUP

- Mobile money users accounted for the largest number of registered users who did not use their accounts within the 90 days before the survey, followed by bank and NBFI account holders.
- There were almost equal percentages of inactive users of mobile money and bank accounts among those living above the poverty line.
- Larger proportions of men were inactive users of mobile money compared to women.

2017: Inactive users of registered financial accounts, by demographic and service type
(Shown: Percentage of each demographic group who are registered inactive users of each type of institution)

<table>
<thead>
<tr>
<th></th>
<th>Bank</th>
<th>Mobile money</th>
<th>NBFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>4</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Females (N=1,875)</td>
<td>2*</td>
<td>4</td>
<td>2*</td>
</tr>
<tr>
<td>Males (N=1,126)</td>
<td>6*</td>
<td>7</td>
<td>2*</td>
</tr>
<tr>
<td>Rural (N=2,165)</td>
<td>3*</td>
<td>6</td>
<td>2*</td>
</tr>
<tr>
<td>Urban (N=836)</td>
<td>6*</td>
<td>5</td>
<td>4*</td>
</tr>
<tr>
<td>Below poverty line</td>
<td>2*</td>
<td>5</td>
<td>1*</td>
</tr>
<tr>
<td>Above poverty line</td>
<td>5</td>
<td>6</td>
<td>3*</td>
</tr>
<tr>
<td>Younger than 35</td>
<td>3*</td>
<td>6</td>
<td>1*</td>
</tr>
<tr>
<td>35 years and older</td>
<td>4*</td>
<td>5</td>
<td>4*</td>
</tr>
</tbody>
</table>

*Fewer than 50 observations

ACTIVE BASIC USERS, BY DEMOGRAPHIC GROUP

- Nearly all active basic users only have a mobile money account. They used their account in the last 90 days only for basic transfers, and do not use mobile money for savings or other advanced use cases.
- In 2017, there was no gender gap between active basic users. A larger proportion of the urban and above-poverty groups were active basic users compared to the rural and below-poverty groups.

2017: Active basic users of mobile money accounts, by demographic
(Shown: Percentage of each demographic group who are active basic users of mobile money accounts)

ADVANCED USERS, BY DEMOGRAPHIC GROUP

- Across all demographic groups, advanced users used mobile money services more frequently than they did banks or NBFIs.
- Advanced users comprised a larger portion of male, urban, and above-poverty demographic groups than female, rural, and below-poverty demographic groups.
- Compared to gender and locality gaps, the income gap was the largest across all financial institutions.

2017: Advanced users, by demographic
(Shown: Percentage of each demographic group who are advanced users of each type of institution)

- Across all demographic groups, advanced users used mobile money services more frequently than they did banks or NBFIs.
- Advanced users comprised a larger portion of male, urban, and above-poverty demographic groups than female, rural, and below-poverty demographic groups.
- Compared to gender and locality gaps, the income gap was the largest across all financial institutions.

28 percentage-point income gap; 20 percentage-point locality gap; and 11 percentage-point gender gap between mobile money advanced users.
ADVANCED USER 90-DAY ACCOUNT ACTIVITIES

- Among advanced users, mobile money was the most used saving channel, followed by banks and NBFI. Additionally, one in four advanced users used mobile money for bill pay in the 90 days before the survey.
- After saving, bank accounts were used most often for receiving wages; 9% of advanced users received wages through a bank account in the 90 days before the survey. Mobile money was, however, used more often for receiving wages than were banks.
- Despite the launch of MoKash in 2016, digital credit products have seen little uptake; only 2% of advanced users reported borrowing through a mobile money account.

2017: Advanced users’ account activities in last 90 days, by activity and institution
(Shown: Percentage of advanced users, n=874)

- 56% of advanced users saved actively via a mobile money account in the 90 days prior to the survey.

# Key Indicators Summary

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Base Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults (15+) who have active digital stored-value accounts</td>
<td>33% (+/- 2.8%)</td>
<td>33% (+/- 2.6%)</td>
<td>33% (+/- 2.1%)</td>
<td>37% (+/- 2.4%)</td>
<td>All adults</td>
</tr>
<tr>
<td>Poor adults (15+) who have active digital stored-value accounts</td>
<td>22% (+/- 2.6%)</td>
<td>23% (+/- 2.6%)</td>
<td>17% (+/- 2.0%)</td>
<td>22% (+/- 2.4%)</td>
<td>All poor</td>
</tr>
<tr>
<td>Poor women (15+) who have active digital stored-value accounts</td>
<td>18% (+/- 3.0%)</td>
<td>16% (+/- 2.4%)</td>
<td>13% (+/- 2.1%)</td>
<td>16% (+/- 2.6%)</td>
<td>All poor females</td>
</tr>
<tr>
<td>Rural women (15+) who have active digital stored-value accounts</td>
<td>22% (+/- 4.0%)</td>
<td>19% (+/- 2.9%)</td>
<td>19% (+/- 2.5%)</td>
<td>23% (+/- 2.8%)</td>
<td>All rural females</td>
</tr>
<tr>
<td>Adults (15+) who actively use digital stored-value accounts and have accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>21% (+/- 1.8%)</td>
<td>23% (+/- 2.0%)</td>
<td>23% (+/- 1.7%)</td>
<td>27% (+/- 2.1%)</td>
<td>All adults</td>
</tr>
<tr>
<td>Poor adults (15+) who actively use digital stored-value accounts and have accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>12% (+/- 1.4%)</td>
<td>14% (+/- 1.9%)</td>
<td>9% (+/- 1.3%)</td>
<td>14% (+/- 2.1%)</td>
<td>All poor</td>
</tr>
<tr>
<td>Poor women (15+) who actively use digital stored-value accounts and have accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>8% (+/- 1.6%)</td>
<td>8% (+/- 1.5%)</td>
<td>6% (+/- 1.3%)</td>
<td>8% (+/- 1.7%)</td>
<td>All poor females</td>
</tr>
<tr>
<td>Rural women (15+) who actively use digital stored-value accounts and have accessed at least one advanced financial service (beyond basic wallet &amp; P2P)</td>
<td>11% (+/- 2.2%)</td>
<td>11% (+/- 1.7%)</td>
<td>10% (+/- 1.5%)</td>
<td>14% (+/- 2.2%)</td>
<td>All rural females</td>
</tr>
</tbody>
</table>

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+), September 2014; Wave 3 (N=3,000, 15+), September 2015; Wave 4 (N=3,000, 15+), August 2016; Wave 5 (N=3,001, 15+), July-August 2017.
PUTTING THE USER FRONT AND CENTER

The Financial Inclusion Insights (FII) program responds to the need identified by multiple stakeholders for timely, demand-side data and practical insights into digital financial services (DFS), including mobile money, and the potential for their expanded use among the poor.

The FII team conducts regular survey and qualitative research in Bangladesh, India, Indonesia, Kenya, Nigeria, Pakistan, Tanzania and Uganda to:

- Track access to and demand for financial services generally, and the uptake and use of DFS specifically;
- Measure adoption and use of DFS among key target groups (females, BOP, rural, unbanked, etc.);
- Identify drivers and barriers to further adoption of DFS;
- Evaluate the agent experience and the performance of mobile money agents; and
- Produce actionable, forward-looking insights to support product and service development and delivery, based on rigorous FII data.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: www.finclusion.org.
For more information, contact:
Lucy Kaaria, Senior Research Associate, Africa KaariaL@InterMedia.org
Samuel Schueth, Director of Research SchuethS@InterMedia.org