

MoKash promotes savings culture

By Jacky Achan

It all started in August 2016, mobile telecommunications company, MTN, entered a partnership with the Commercial Bank of Africa (Uganda).

The aim was to bridge existing financial gaps through helping Ugandans have easy access to money, as well as saving.

The two introduced MoKash, a mobile phone-based service that provides customers with an avenue to save and borrow using their phones.

According to Christopher Ssali, the MTN-Uganda acting general manager for mobile financial services, the money the customer borrows from MoKash supports them where there is a need as they wait for the next pay cheque.

How it works

Ssali says unlike banks, where you will have to be physically present and have collateral, such as a land title, to borrow money, with MoKash, all one needs is to sign up using their mobile phone.

"We will check how long one has used the MTN mobile line, how much one spends on voice or data bundles and how much one saves, to determine the money you get," he says.

Ssali adds that one can borrow as little as sh3,000 and as much as sh600,000 in a month from MTN MoKash services and pay back with 9% interest.

"However, sometimes life becomes tough, one may default on pay. If one does not pay back after the one month agreed on, we give them another month and maintain the same interest rate," Ssali says.

He says if the customer is still unable to pay, even after the added time, the focus will shift to recouping the amount borrowed and the interest made in the first two months of borrowing.

Getting more money

Ssali says there are people who borrow and do not want to pay



Interested customers can sign up for MoKash by dialing *165*5# and enter their MTN Mobile Money PIN in order to qualify for credit

back, which he says makes one a bad debtor. However, there are customers who pay their loans in time.

"Even though there are limitations on how much one can borrow on MoKash, since one pays back on time, the amount of money they can borrow is upgraded and given to them when they make another request," Ssali explains.

He adds that MoKash is all about convenience.

Promoting saving culture

Uganda is one of the countries with the lowest savings culture in the world.

A survey by the Uganda Retirement Benefits Regulatory Authority found 80% of young

people in Uganda are poor and many are living beyond their means. However, Ssali says MTN is not simply sitting back, but encouraging the adoption of the saving culture. Through MoKash, one can save as

little as sh10 daily. "You can choose to save daily, weekly or monthly. We even have the automated saving feature. The system automatically deducts whatever amount of money you

choose to save," Ssali says.

How Mokash has fared so far

In less than two months of its introduction, Mokash attracted one million customers, Phillipa Muzahurwa, the manager mobile financial services in Commercial Bank of Africa (Uganda), revealed.

As at the end of March this year, MoKash had close to 4.9 million customers, many of whom previously had no access to formal financial services and were at the mercy of ruthless money lenders.

"Today, MoKash is available to everyone who could not get a loan from the bank due to lack of security. It also serves people, who previously kept their money in unsecure places like under the

FROM THE TIME OF LAUNCH UP TO MARCH THIS YEAR, OVER SH152B HAS BEEN GIVEN OUT IN CREDIT TO MTN MOKASH USERS



DAJ COMMUNICATIONS

"The distribution king"

10 years of Mobile Money in Uganda

The Directors, Management and Staff are glad to have been a part of the mobile money success Story in Uganda. We take this opportunity to celebrate THE 10 YEAR MILESTONE with our valued Partners, MTN.

VIVA DAJ, VIVA MTN

"A professional corporate entity offering excellent products and services to customers nationally and internationally as an ISO certified going concern"

10 years MTN Mobile Money

ADDRESS:

Rukiidi III Street, Fort Portal Uganda

(256) 382 274 621, (256) +256 393 260 164 or (256) +256 382 274 621

info@daj.co.ug, support@daj.co.ug

www.daj.co.ug



MAJESTIC HOLDINGS LIMITED

Congratulations

The Directors, Management and Staff of Majestic Holdings Limited are proud to be part of this milestone



Keeping you in touch

ADDRESS

PLOT 52 RWENZORI ROAD KASESE, KAMPALA OUTLET IS LOCATED AT KISOZI HOUSE 2ND FLOOR P.O.BOX 7898 KAMPALA

TELEPHONE: +256 392 965 415, +256 772 404 269

EMAIL: majesticomk@gmail.com | bbitangaro4@gmail.com

among Ugandans



Increased mobile money activity increases the amount of credit one qualifies for

mattress," Muzahurwa said.

How to qualify for credit
Muzahurwa says even though everyone with an MTN mobile line qualifies to use MoKash, they have to sign up for the service, although not everyone qualifies to get credit.

"Some will qualify at registration, while others will have to wait until they improve their mobile and mobile money activity," Muzahura explained.

He said: "We have to give it time for the user's behaviour to improve, see if they get to pay for the airtime or data bundles borrowed on time or efficiently transact on mobile money."

Importantly, use your mobile money platform at least once a month to drive the right behaviour and qualify to get credit."

From the time of launch up to March this year, over sh152b has been given out in credit to MoKash users.

However, MoKash has not been without challenges

"We have had fluctuations in savings. With regulatory laws and introduction of excise duty, there was a big drop in savings," he said.

However, savings are also affected by numerous other factors faced by our clients and as of now, deposits stand at sh6.8b.

Nonetheless, this year alone, the target is to give about sh30b in credit to MoKash users, according to Muzahura.



MTN is committed to improving the lives of Ugandans

Facts about MoKash

MoKash is a service that provides customers the ability to save and borrow money using their phones. Customers can save while earning an interest or take out short-term loans at a reasonable fee.

MoKash deposit allows one to securely store money for a specific purpose or for unexpected events.

There is no minimum balance, no charges levied on the account, or on moving money from MTN Mobile Money to MoKash account and vice versa.

When one deposits, they get a 5% interest.

On the other hand, MoKash allows one to borrow money in times of need or to grow a business.

A one-time fee of 9% is levied for each loan.

MoKash customers do not have to visit any bank to fill out forms.

To activate MoKash services a customer dials *165*5# and enters their MTN Mobile Money PIN.

All processes are automated to best serve our MoKash customers.

YO payments boost mobile money

As Uganda marks 10 years of Mobile Money services, several innovations have since been developed in the sector. One such innovation to ease movement of money is YO payments, a partnership between YO Uganda and MTN Uganda. Reagan Ssempijja spoke to Gerald Begumisa, the managing director of YO Uganda, about the company and their services



Gerald Begumisa

Tell us about YO Uganda
YO Uganda was founded in 2006 with the objective of delivering business solutions. The service focuses on solutions which use existing technology.

YO started with solutions such as bulk SMS in both voice and text format. Later, we added customised technology and software for companies, such as mobile banking solutions for various companies.

When did you join the mobile money platform?

In 2009, when MTN launched the mobile money service, we saw an opportunity to extend solutions to companies in order for them to be more efficient and cut down on costs, as well as increase

Which people/companies have you worked with?

We mostly work with SACCOS because they are the ones who mostly need this platform for disbursing remittances to their members.

We have also partnered with United Nations Capital Development Fund (UNCDF) programme of Mobile Money for the Poor (MM4P). This will allow them to explore the spread and adoption of financial literacy by people living in rural areas.

We mostly target farmers and we train them how to benefit from mobile money, for example, through saving on MoKash.

So far, over 100,000 farmers have benefited from our mobile money trainings.

What challenges do you face as you do your work?

The biggest challenge we face is access to finance for investment. This has greatly held us back, but we believe with more partners, who are yet to come on board, we will mitigate this challenge

Any plans going forward?

We want to incorporate the block chain technology in our services. We believe this will create more impact and effectiveness in service delivery.

security of money.

So, in 2010, we launched our mobile money payments called YO payments.

How do YO payments work?

With this service, we help companies disburse payments in bulk to their employees at once.

With the help of MTN mobile money platform, employees can receive their facilitation money and salaries on their phones through mobile money.

On top of giving companies control over payments, the system gives them the confidence that payment has been made to the right person.

The service also reduces the risk of carrying money.

The system also enables companies and individuals collect payments and debts effectively.



10 Mobile Money in Uganda



Simba Telecom is proud to be associated with MTN Uganda as they celebrate 10 years of mobile money in Uganda.

Our Outlets: Kampala, Mpigi, Masaka, Sembabule, Mbarara, Ishaka, Ibanda, Isingiro, Ntungamo, Kabale and more

Contact us: Main office, Plot 50 Kampala Road. Tel: 031 2351500



www.simbatelecom.com



simbatelecomlimited



simbatelecomlimited