

In August last year, the Commercial Bank of Africa (CBA) in collaboration with MTN Uganda, launched a virtual account (MoKash) to allow customers to save and access credit services using their mobile phones. CBA opened in Uganda in 2014 as a commercial bank, following the issuance of the commercial banking licence by Bank of Uganda. It is a member of the Commercial Bank of Africa group with headquarters in Kenya's capital, Nairobi. It has subsidiaries in Kenya, Uganda and Tanzania. The chief executive officer for CBA Uganda, Samuel Odeke, told Nelson Kiva that MoKash has recorded success similar to schemes such as M-Shwari in Kenya and M Pawa in Tanzania which started much earlier

Q: Tell us more about the MoKash product. MoKash is a micro savings and loans service that allows customers to open an account in which they can deposit as low as sh50 and access micro-loans up to sh1m. The money is payable at a flat rate of 9% within a month of disbursement.

What is the scale of your operations? We have grown the product from the original capital to something big. As a bank, we have also expanded with two branches with prospects of

MoKash attracts 2.7 million customers

expanding. There are other successes of internet banking, mobile banking and other channels through which clients can pay for taxes and other utilities.

How many clients do you have?

For the MoKash product, we majorly target the unbanked population: those without access to formal banking services, those with no formal credit back ground, those lacking collateral to allow them to borrow, and those with no time for banking halls.

Currently, we have 2.7 million customers in the country, with active ones standing at 1.28 million.

The service is highly engaged during festive periods such as Christmas, Eid, Easter as well as when children are going back to school and parents are in desperate need for school fees.

What are some of the frequently asked questions?

People have always asked about our branch networks, when are they accessing their areas, advances in technology, saving and loans services as well as mobile banking.

What is your loan portfolio?

Sh32b has since been disbursed in loans and because of the poor saving culture, sh.4b had been retained in savings by June this year.

Why did you choose MTN as your partner?

MTN was preferred as a partner after taking into consideration their subscriber base especially those registered for mobile money, which clients we were targeting for the MoKash product. They had more subscribers registered on their mobile money platform. Further to this, MTN had laid the ground work for financial inclusion when they introduced mobile money in 2008. They were the right partner to work with to extend the financial inclusion agenda in

Uganda. Our wish was to have a mutual relationship with a single bigger partner in this field.

What do you consider your greatest achievement over the last one year?

MoKash in this period of one year has been a success. The launch of the private banking product for the high net-worth individuals has also been a great success for CBA as it has seen the number of high net-worth individuals

seeking advisory services and alternative investments increase.

The MoKash product has also

MOKASH ALLOWS CUSTOMERS TO OPEN AN ACCOUNT AND DEPOSIT AS LITTLE AS SH50

helped us learn the dynamics of the market such as the need for extensive marketing.

What has been your greatest challenge?

The key challenge on the MoKash product has been to have the borrowers registered on the Credit Reference Bureau so that their borrowing history could be shared with other lenders. There was also a challenge on getting appropriate Know Your Customer (KYC) authentic documentations, which could be relied upon to properly identify our clients.

The recent challenge came from the telecommunications industry regulator when a directive was issued for all

subscribers to re-register their SIM Cards using their national identity cards within seven days in May 2017. This caused our saving clients to draw on their savings almost overnight before their cards could be switched off, affecting the product funding base. While the borrowing clients held back on their loan repayments.

What plans do you have in store for the clients?

We intend to embark on a vigorous marketing campaign countrywide together with our partner MTN, for more clients to appreciate the MoKash product. As a bank, we also intend to expand our services from only two branches to reach more people especially upcountry.

We are continuously working to enhance our digital solutions, with a target to ease banking at home and workplaces to save our clients time. We are also placing emphasis on creating strong partnerships to help us service our clients better.

What last word would you like to leave for our readers?

As CBA, we appreciate our customers for continuously believing in our brand and taking up our services, including the MoKash product. We assure them of enhanced digital and mobile services, as well as credit cards domiciled in Uganda shillings and US dollars.

The CBA credit card is a 24-hour service with an effective service centre. My appeal is for our customers to fully embrace our channels and digital services and to use credit cards to avoid unnecessary financial inconveniences.



Odeke says the company will embark on a vigorous marketing campaign

Mobile innovations

By Benon Ojiambo

About 15 years ago in Uganda, a mobile phone was known for voice communications through the normal GSM calls and messages. But now, gone are those days when a mobile phone was majorly used for the traditional communication purposes.

Telecom services providers such as MTN Uganda are making innovations that are tailored to meet the needs of the urban and financially included population in order to tap into the financially strong population.

Mobile saving

As people's schedules get tighter, telecom service provider, MTN Uganda introduced MoKash, a platform that enables mobile money users to apply for loans and also save money using their phones.

The platform is also expected to further increase financial inclusion in the country as telecoms and financial

institutions do all in their means to bring the financially excluded population on board. Through the platform, MTN mobile money customers can conveniently borrow unsecured loans from as low as sh3,000 to a maximum of sh1m through their phones.

Insurance service

In September last year, MTN Group, and MMI Holdings, an insurance-based financial services player, launched a strategic partnership that focuses on delivering micro-insurance solutions across the African continent. The joint venture is branded aYo.

Insurance penetration in Uganda has stagnated at less than 1% of the gross domestic product (GDP). Low insurance penetration has been attributed to different reasons including low disposable income due to poor household incomes.

The partnership is expected to improve this by offering relevant, accessible and easy to use insurance solutions to consumers.