



INTERVIEW
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MTN Mobile Money recorded strong growth over the past year, reinforcing its role in Uganda's digital financial ecosystem amid a strategic shift toward deeper customer engagement and expanded digital services.

By the close of 2025, MTN Mobile Money's user base had grown to more than 14.5 million, up from 13.8 million in 2024, according to MTN Mobile Money managing director Richard Yego. The growth reflects sustained customer adoption, with the telecom now targeting the addition of at least one million new users this year. However, Yego says the company's focus has increasingly shifted from headline user growth to driving more frequent and meaningful usage among existing customers.

That strategy is already yielding results, particularly in digital lending. The number of unique borrowers doubled to more than eight million, while loan disbursements rose sharply to Shs2.5 trillion from Shs1.4 trillion the previous year. Ecosystem growth also strengthened, with active agents increasing to nearly 250,000 and active merchants surpassing 100,000, driven largely by a focus on informal traders.

Despite the gains, challenges persist. Transaction frequency averages six transactions per customer per month, below regional benchmarks, while liquidity constraints and taxes on cash withdrawals continue to suppress high-value digital transactions.

In response, MTN is repositioning mobile money as an everyday currency through targeted incentives, expanded merchant solutions, and policy advocacy aimed at lowering transaction costs. Supported by stronger industry collaboration and ongoing digitisation, the company is aligning its strategy with Uganda's broader economic transformation agenda.

In this interview, Yego addresses MTN Mobile Money's performance, regulatory challenges, app adoption, digital lending growth, and the company's long-term vision for building a more inclusive, cash-lite digital economy.

How did MTN Mobile Money perform last year?

By close of 2025, our user base had surpassed 14.5 million, up from 13.8 million in 2024, reflecting solid growth. In 2026, we are targeting at least one million new users, which we believe is achievable. However, our focus is increasingly on deepening usage rather than just growing numbers. This strategy has helped drive meaningful engagement across our services.

On the lending side, unique borrowers doubled to eight million, while loan volumes grew to Shs2.5 trillion, up from Shs1.4 trillion in 2024. Our next-generation mobile money app, launched in September 2024, attracted over 500,000 users in just three months. Our goal is to increase app usage from 5 percent to at least 20 percent.

We also saw strong ecosystem growth.

MTN MoMo's next phase: lending and cashless push



Richard Yego says that MTN Mobile Money borrowers have increased from 3.5 million to over eight million, while loan values grew more than fivefold to nearly Shs2.5 trillion in 2025. PHOTO/FILE

Active agents increased to nearly 250,000 from about 200,000, while active merchants exceeded 100,000, with a particular focus on informal traders

What stood out in terms of customer usage and market trends?

Transaction frequency per customer averages six transactions per month, which remains below regional benchmarks. Liquidity constraints continue to be a challenge, although agent growth has improved transaction accessibility nationwide. Industry collaboration remains critical, as greater interoperability helps lower transaction costs and improves convenience for customers.

How have taxes affected mobile money usage?

The 0.5 percent tax on mobile money cash withdrawals continues to signifi-

cantly suppress transaction volumes. Introduced in 2018, the tax has pushed some customers back to cash-based transactions. For withdrawals above Shs500,000, total charges can reach Shs9,500, making digital channels less attractive. Since its introduction, the tax has reduced high-value digital transactions by an estimated 30-40 percent.

How is MTN responding to these challenges?

Our strategy is to make mobile money an everyday currency, reducing dependence on cash and physical wallets. We introduced a free daily cash-out of up to Shs500,000 for informal merchants, which helped reactivate dormant agents and encouraged digital spending. We also enabled merchant-to-merchant payments to strengthen liquidity in the informal sector.

Taxes
'We are advocating for a reduction of the withdrawal tax to 0.25 percent, even if extended to other cash withdrawal channels such as ATMs and bank agents to ensure fairness and promote cashless behaviour.'

At the policy level, we are advocating for a reduction of the withdrawal tax to 0.25 percent, even if extended to other cash withdrawal channels such as ATMs and bank agents to ensure fairness and promote cashless behaviour. If government reduces the tax burden, mobile network operators are ready to cut their own withdrawal fees by more than 50 percent, especially on mobile-to-bank transfers.

What role has digital lending played in growth?

Lending has been a major driver of relevance and transaction growth. Unique borrowers increased from 3.5 million to over eight million, while loan values grew more than fivefold to nearly Shs2.5 trillion. This was largely driven by Mobile Money Advance, launched in September 2024, which allows customers to complete payments even when temporarily short of cash.

Why is app adoption still low?

Despite growth, 95 percent of transactions still occur via USSD, with only 5 percent on the app. This highlights the need to accelerate smartphone adoption. In 2026, we will roll out new agent and merchant apps, alongside a formal enterprise merchant platform in the first quarter to support payments such as taxes, salaries, and supplier transactions. Key services, including investments, are being migrated from USSD to the app.

Why is industry collaboration critical?

Collaboration with banks, fintechs, and telecom operators is essential for expanding financial inclusion and reducing costs. We are working toward open-loop systems and full interoperability across wallets and banks.

Discussions with the Bankers Association aim to cut bank-to-wallet and wallet-to-bank fees by up to 60 percent. The national payments switch, expected between 2026 and 2027, will further improve efficiency.

What is your long-term strategic vision?

Digital transformation is central to Uganda's economic growth. Our vision aligns with Uganda's Tenfold Growth Agenda 2040, which targets GDP growth from \$50b to \$500b. Raising smartphone penetration beyond the current 43 percent is critical, and we are advocating for tax waivers to reduce device costs and accelerate digital inclusion.

We are expanding digital solutions for SMEs and agriculture, including stock financing, market access, and digital payments. Regulatory approval is pending for the separation of MTN Mobile Money as an independent entity following approval from 99.9 percent of shareholders.

Looking ahead, we will scale SME solutions, address the Shs3 trillion monthly agent liquidity gap, and expand products such as virtual cards, investments, and cross-border merchant payments.