

For decades, the spread of bank branches and ATMs was the clearest sign of financial inclusion in Uganda. A new branch meant progress; an ATM meant convenience.

But over the last five years, that story begun to change. Between 2021 and 2025, according to data contained in the Bank of Uganda Annual Supervision Report 2025, the banking system has quietly shifted away from bricks-and-mortar expansion toward a more flexible, agent-driven model of access.

The numbers tell this subtle but important story.

#### Branch expansion reversal

Bank of Uganda data shows that in 2021, Uganda had 614 commercial bank branches, a number that rose modestly to 616 in 2022 and peaked at 621 in 2023, reflecting steady, albeit modest, physical expansion.

However, by 2024, branch numbers had fallen by 30 branches to 591, before stabilizing slightly at 592 in 2025.

Data shows that the figures above represent an overall decline of about 3.6 percent over the five years, with the most significant contraction occurring after 2023, which, the Central Bank says was driven largely by structural changes in the banking sector, particularly the transition of ABC Capital, Guaranty Trust Bank, and Opportunity Bank from tier one (commercial banks) to tier two institutions, a shift that alone removed 34 branches from the commercial banking network.

The contraction, therefore, reflects regulatory-driven consolidation and reclassification, as banks adjusted their operating models to meet higher capital requirements.

#### ATMs follow a similar pattern

ATMs followed a comparable trajectory. From 886 ATMs in 2021, numbers rose to 900 in 2022 and 907 in 2023, before declining to 888 in 2024. A modest rebound occurred in 2025, with ATMs increasing to 896.

Overall, ATMs increased marginally over five years, but the post-2023 dip mirrors the branch decline, which suggests that banks are increasingly growing less reliant on fixed infrastructure

# Fewer branches, more agents: The banking map is changing



Between 2021 and 2025, ATM numbers peaked in 2023 before declining, reflecting banks' gradual shift away from costly physical infrastructure toward more flexible, agent- and digital-based delivery channels. PHOTO / EDGAR R BATTE

#### Changes in banking in the last five years since 2021

	2021	2022	2023	2024	2025
CB branches	614	616	621	591	592
ATMs	886	900	907	888	896
Number of Active Agents	16,013	23,515	26,314	27,306	31,308

Source: Bank of Uganda Annual Supervision Report 2025

and more cautious about maintaining high-cost physical channels, especially as digital payments and mobile banking continue to grow.

#### Agents filling the gap

While branches and ATMs have stagnated or declined, banking agents have expanded at an extraordinary pace.

In 2021, Uganda had just 16,013 active banking agents. By 2022, that figure jumped to 23,515, rising again to 26,314 in 2023, 27,306 in 2024, and

reaching 31,308 agents in 2025. That is a near doubling (95 percent) in just five years.

This expansion fundamentally reshapes access to financial services. Agents now outnumber branches and ATMs combined by a wide margin and have become the primary touchpoint for everyday banking, especially in rural and peri-urban areas.

Deposits, withdrawals, bill payments, and basic account services are increasingly delivered through shops, kiosks, and mobile money-linked outlets rather than traditional bank halls.

#### What the shift means

Data shows that Uganda is not de-banking, it is re-banking. The decline in branches and ATMs does not imply reduced access. It reflects cost optimisation by banks, regulatory restructuring, and a strategic pivot toward low-cost, high-reach delivery models. Agents now carry the burden of inclusion, while branches are increasingly reserved for complex services such as corporate banking, credit appraisal, and relationship management.

The shift means that banking is now closer to consumers, operates longer hours, and has lower transaction costs, while at the same time it raises new supervisory questions around agent oversight, fraud risk, consumer protection, and operational resilience, areas Bank of Uganda has already begun to address through strengthened supervision and digital monitoring systems.

#### The new geography of banking

Between 2021 and 2025, Uganda's banking map has been redrawn. Physical branches are fewer, ATMs are no longer the growth frontier, and agents have emerged as the backbone of financial access. The future of banking is no longer defined by how many branches a bank opens, but by how effectively it deploys agents, technology, and trust.