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IFC, ABC Partner to Increase Rural Financial Inclusion in Uganda

Kampala, Uganda April 25, 2019— IFC, a member of the World Bank Group, today announced an agreement to a value of \$1.9 million with Agent Banking Company of Uganda (ABC) for the development of a shared agent banking network to increase access to affordable financial services and improve financial inclusion for the broader population in Uganda.

Over two and a half years, IFC will support ABC to roll out a shared agent network infrastructure for supervised financial institutions to accelerate the expansion of financial services in the country, with emphasis in rural areas.

The shared platform allows for processing of financial transactions including cash deposits, withdrawals, money transfers, payments, and will facilitate the process of opening new bank accounts electronically. A common agent network is more cost-efficient than for each bank to set up proprietary networks, as the ABC network will be open to participation by financial institutions.

“With the shared agent banking platform that connects banks, we believe we will drive financial inclusion by increasing financial and banking services outreach to the unbanked, underserved and banked population,” said Richard Yego, Chief Executive Officer, ABC. The approach will allow banks to reach a broad base of customers with a range of financial services like formal savings and credit products, financial literacy, and advisory services in line with Uganda’s National Financial Inclusion Strategy.

Although access to formal financial services has increased substantially in Uganda in recent years as mobile money has become more widespread, 41 percent of the adult population still lack access to reliable and affordable means to transfer, save and borrow funds. Access is particularly limited in rural areas, while frequent usage of informal financial services show there is demand.

Jumoke Jagun-Dokunmu, IFC Regional Director for Eastern Africa said “People living on low incomes in Uganda and elsewhere in Africa have active financial lives and need a broad range of financial services to take advantage of economic opportunities. Agent banking has proven to be a sustainable and affordable strategy to expand financial inclusion beyond higher income customers concentrated in cities.”

The project is part of the Harnessing Innovation for Financial Inclusion (HiFi) program, funded by the United Kingdom’s Department for International Development (DFID). The program focuses on the use of technological innovations to deliver financial services to the underserved.

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In fiscal year 2018, we delivered more than \$23 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

About Agent Banking Company

Agent Banking Company Uganda (ABC) is a Joint Venture undertaking between Uganda Bankers' Association & Eclectics International to build & operate a shared agent banking platform that enables connectivity among all supervised financial institutions for customers to be served at any agent location. Agent Banking Company of Uganda was incorporated in 2017 as a company limited by shares and its shareholders comprise Uganda Bankers Association and Eclectics International. For more information, visit www.agentbanking.co.ug

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