

SUCCESS STORY  
MTN UGANDA



ERICSSON

# A CATALYST FOR GROWTH

Leading communications operator  
restores confidence in mobile money



# UGANDA LOVES MOBILE MONEY

## CUSTOMER PROFILE

MTN Uganda is part of the multinational telecommunications group MTN, connecting approximately 229 million people in 22 countries across Africa and the Middle East. The group launched commercial services in Uganda in 1998 and today MTN Uganda is the largest operator in the country, offering fixed, fixed wireless and mobile services to more than 9.6 million customers on GSM, CDMA, GPRS, EDGE, WiMAX, Fiber Optic and HSDPA.

[www.mtn.co.ug](http://www.mtn.co.ug)

Mobile money has taken off in Uganda in a big way. In the 12 months to September 2015, the number of mobile money users grew nearly 2 million from 17.9 to 19.8 million. During the same period, the number of bank accounts remained unchanged at 5 million. This growth is partly the result of initiatives taken by operators to improve the range and quality of digital services available.

Another factor is the increasingly supportive regulatory environment in East Africa. The Ugandan Parliament passed the Financial Institutions Act (Amendment) Bill in January 2016, which presents new opportunities for the country's financial sector. Among them is the strengthening of agency banking networks, which will further extend the reach of much-needed mobile money services.

### Challenges

Since their launch in 2009, MTN Uganda's mobile money services have experienced favorable levels of uptake, but the existing wallet platform quickly became outdated and unable to cope with the demands of a modern mobile money provider.

Service outages at peak hours were frequent and fraud was a growing concern, which led to concerns over the reliability, security and scalability of MTN's services among its customer base.

In response, MTN chose long-term partner Ericsson to migrate to Ericsson Wallet Platform and

Converged Wallet, which offer the reliability, security and scalability needed to successfully manage mobile money services.

### Stronger ecosystem

MTN Group's deployment of Ericsson Wallet Platform and Converged Wallet in Uganda follows a long history of close collaboration. Together, Ericsson and MTN Group have launched mobile wallet services across the operator's footprint with Ericsson Converged Wallet serving as a mobile money hub solution.

Our platform enables third-party microfinance providers and organizations in the country to provide loans and salary payments

directly into digital accounts. Merchants like electricity distributor Umeme have already benefited from the migration to our system, realizing a 50 percent increase in mobile payments since the move. Others are sure to follow, including government bodies handling school fees, payment collection companies, and banks.

The deployment also fulfills regulatory requirements imposed by Bank of Uganda. By making financial transactions, subscribers are now able to accumulate loyalty points toward MTN services, initiate loan requests, and receive money from a range of access channels, including feature phones and smart devices.

## TIMELINE



### 2009 - 2014

MTN offers services such as basic cash-out and P2P transfers. The outdated legacy wallet solution regularly causes downtime at peak times and delays in rolling out new digital services.



### August 2014 - September 2014

Dedicated M-commerce delivery teams at Ericsson's Global Competence Hub and the Global Service Center in India support the migration to Ericsson Wallet Platform and Converged Wallet. A number of Ugandan banks are onboarded quickly and a Push and Pull Service is introduced, where funds are automatically moved to/from bank accounts into mobile wallets. Our system acts as a front-end to the existing banking platform, providing PIN access through mobile channels.



### September 2014 - >

MTN Uganda deploys Ericsson Converged Wallet solution to support more than 7 million mobile wallet users and 50,000 agents. The solution streamlines MTN's ability to rapidly introduce relevant and differentiated mobile money services.



Before we migrated to Ericsson Wallet Platform, our system was going off at peak hours every day and onboarding new services was taking 1-2 years. Ericsson turned that around. All those aspects have been handled and we now launch service after service.”

Phrase Lubega,  
General Manager Mobile Financial Services, MTN Uganda





Stability at MTN has gone way up since they moved over to Ericsson Wallet Platform. Customer experience has improved and new services are onboarded faster than ever.”

Per Wahlén,  
KAM MTN East / Country Manager Uganda, Ericsson



### Growth in numbers

Phrase Lubega, General Manager Mobile Financial Services, MTN Uganda, outlines the positive growth MTN Uganda has experienced since migrating to Ericsson Wallet Platform:

“When we moved over to the Ericsson system in September 2014, we had around 3.1 million active subscribers. We have accelerated that growth, and by the end of 2015 we had around 4.7 million active accounts. Registration accelerated to 9.5 million customers. In terms of transactions, at the end of 2015 we were processing around 44 million (cash-in, cash-out, P2P) transactions per month.

The new system really gave us the capacity to grow. Scalability has increased and we now have the agility to turn around new services. Also, it’s now history to hear about service outages because of capacity. Our vision now is to offer a full bank on your phone. We want people to be able to go anywhere without needing cash and use mobile money to pay for any service inside Uganda.”

### Supporting financial inclusion

Brian Gouldie, CEO, MTN Uganda, explains how secure mobile financial services support financial inclusion efforts:

“Through our work with Ericsson, MTN Uganda offers MTN Mobile Money to bridge the gap between the region’s banked and unbanked populations, providing wide and crucial access to financial services. With our rollout of Ericsson Wallet Platform and Converged Wallet, we have enhanced the stability and security of our mobile financial services offering, while gaining the ability to deliver better mobile financial services offers and service bundles as part of our pre-paid services.”

## OVERVIEW

### CUSTOMER

MTN Uganda

### CHALLENGE

- > System down at peak hours due to scalability problems
- > Restore trust among end users
- > Enable operator to accelerate growth

### SOLUTION

- > Ericsson Wallet Platform and Converged Wallet
- > Real-time integration to the existing charging system

### RESULT

- > Faster time to market with new services
- > Greater customer confidence
- > Growth in user base and usage