

# Mobile money users borrowed nearly Shs3 trillion in 2025

In 2025, Uganda's credit landscape reached an inflection point, with mobile money emerging as one of the most powerful channels of credit delivery.

Mobile money subscribers borrowed nearly Shs3 trillion during the year, underscoring how telecom-led platforms are reshaping access to finance and redefining borrowing behavior.

Mobile money lending has rapidly evolved from a supplementary financial service into a major channel for credit delivery.

Data from both MTN Mobile Money Company and Airtel Money Commerce, the two companies under which Uganda's largest mobile money platforms operated, indicate that during the year ended December 2025, total borrowing through mobile money crossed into trillions of shillings, driven overwhelmingly by MTN's Mobile Money, supported, at a smaller scale, by Airtel Money's lending operations.

The MTN 2025 Annual Report indicates that the telecom alone disbursed Shs2.7 trillion in loans during the year, while Airtel Money reported Shs50.6b in loans and advances on its balance sheet, bringing the combined mobile money credit ecosystem to at least Shs2.75 trillion.

While Airtel's figure reflects outstanding balances rather than total disbursements, it nonetheless reinforces the growing depth of telecom-led lending.

This level of activity places mobile money squarely within Uganda's broader credit system. But what distinguishes it is not just the size; it is the nature of growth.

Whereas Airtel declined to provide more details about its Airtel Money operations beyond what was provided in its financials, MTN, in its Annual Report, indicated that lending through mobile money was ahead of plan, surpassing the Shs2 trillion target by 35 percent.

That performance points to a structural shift in how Ugandans access and use credit.

Behind the headline figures lies an even more profound transformation.

In notes published in the report, MTN Mobile Money Company acting managing director, Sarah Bateta Okwi, noted the number of borrowers grew from 2 million in 2024 to 3.4 million in 2025, a 54.5 percent increase.

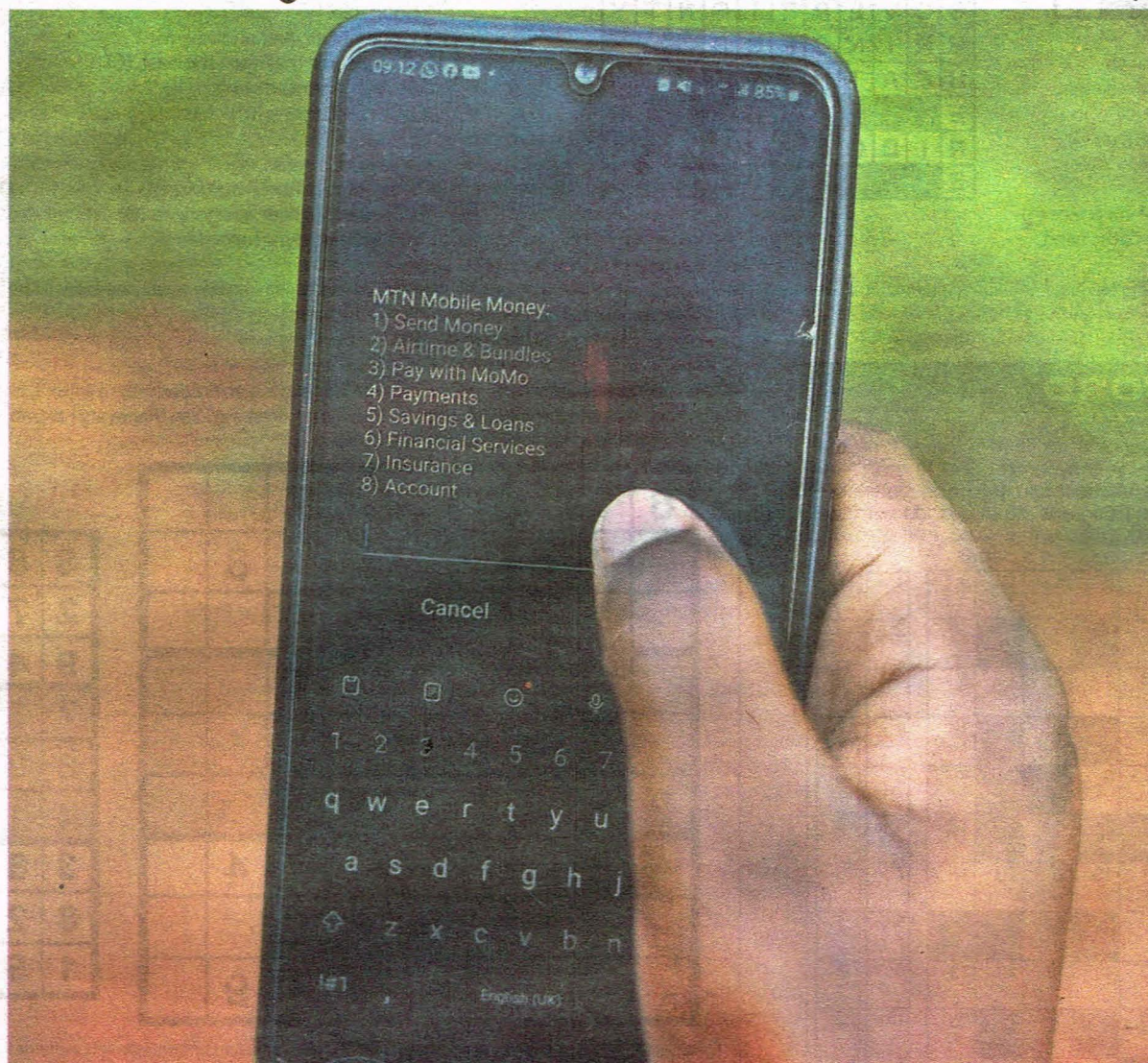
But even more striking was the surge in loan activity, with 223 million loans issued during the year, representing a 549 percent increase.

This divergence between borrower growth and loan volume reveals a critical insight. Mobile money lending is not

## Key insights

• According to the Bank of Uganda Integrated Annual Report 2025, lending to the private sector by commercial banks, credit institutions, and microfinance deposit-taking institutions grew by 8.8 percent in the year ended June 2025.

• While banks expanded credit by single digits, mobile money lending grew by 80 percent in value and several multiples in volume. The difference is not merely quantitative, it is structural.



Mobile money loans are surging, with millions borrowing instantly and repeatedly. PHOTO / MICHAEL KAKUMIRIZI

simply onboarding new users; it is fundamentally changing borrowing behaviour.

Customers are not taking one loan and exiting; they are borrowing repeatedly, in small amounts, often within short time cycles. Credit has shifted from being an occasional financial decision to an embedded, everyday tool.

To fully appreciate the scale of this transformation, it is important to place mobile money lending in the context of Uganda's formal financial system.

According to the Bank of Uganda Integrated Annual Report 2025, lending to the private sector by commercial banks, credit institutions, and microfinance deposit-taking institutions grew by 8.8 percent in the year ended June 2025.

This growth reflects a steady recovery, supported by macroeconomic stability, low inflation, a stable exchange rate, and improved asset quality.

Yet, compared to mobile money lending, this pace appears modest.

While banks expanded credit by single digits, mobile money lending grew by 80 percent in value and several mul-

tiples in volume. The difference is not merely quantitative; it is structural.

Traditional banking operates on a model of risk-based, relationship-driven lending. Loans are typically larger, take longer to process, and are extended over longer tenors.

They are influenced by interest rates, regulatory requirements, and macroeconomic conditions. Growth in this system is therefore inherently gradual and tied to broader economic cycles.

Mobile money lending, by contrast, operates on a digital, data-driven model. Loans are small, instantly approved, and often repaid within days or weeks.

Decisions are automated, based on transaction histories and behavioral data rather than formal credit assessments. This enables scale, not just in value, but in frequency.

The result is a new kind of credit system, one that is fast, flexible, and deeply integrated into daily economic activity.

This transformation has been enabled by broader developments within Uganda's financial ecosystem.

Bank of Uganda reports continued

progress in financial inclusion, which has reached 70 percent, alongside growth in digital payments infrastructure. These trends have expanded access to financial services and created the foundation upon which mobile money lending has flourished.

In this environment, telecom companies have leveraged their extensive customer bases and transaction data to fill a critical gap, providing instant, short-term liquidity to millions of users who may not qualify for traditional bank loans.

In its report, MTN noted that it is sharpening its focus on mobile money pending the planned completion of the structural separation of mobile money from the telecom operations. The telecom indicated it will prioritise partnerships, digital infrastructure, and financial inclusion to expand services, deepen its ecosystem, and build sustainable, high-impact mobile money-driven business models.

This strategic direction signals that mobile money is no longer just a supporting service; it is becoming a core

business line. The planned separation is expected to unlock greater focus and investment, positioning MTN Mobile Money as a standalone fintech with the capacity to scale further.

For many Ugandans, especially those in the informal sector, mobile money loans represent the first and often only form of accessible credit.

They are used to manage day-to-day cash flow, cover emergencies, and smooth consumption. In this sense, mobile money lending is not replacing banks; it is serving a different segment of the market. However, as volumes continue to grow, the lines between these segments are beginning to blur.

At Shs2.75 trillion, mobile money lending is no longer a peripheral activity. It is approaching a scale where it can influence broader credit conditions, consumption patterns, and even monetary transmission mechanisms.

The sheer number of transactions, hundreds of millions of loans issued annually, suggests that mobile money is increasingly shaping how liquidity circulates within the economy.

This has important implications because it highlights the growing importance of digital financial infrastructure, with mobile money platforms becoming full-fledged financial ecosystems, integrating savings, payments, and credit into a single interface.

It is now clear that Uganda's credit landscape is no longer defined solely by the growth of bank lending. It is increasingly shaped by the rise of mobile money, by the speed, scale, and accessibility it brings to financial services.

Banks finance businesses, infrastructure, and long-term investments. They provide stability and depth to the financial system.

But mobile money is doing something different, and equally transformative.

It is redefining credit as a real-time, on-demand service, available at the tap of a button. It is turning borrowing into a routine financial behavior, rather than an exceptional event. And in doing so, it is bringing millions of people more deeply into the financial system.

## Key figures

# Shs2.7t

The MTN 2025 Annual Report indicates that the telecom disbursed Shs2.7 trillion in loans during the year.

# Shs50.6b

Airtel Money reported Shs50.6b in loans and advances in its 2025 financial results.