



Protecting Your Deposits

Deposit Protection Scheme

Highlights

The Role of Deposit Protection in Promoting Financial Inclusion.

- Financial exclusion plays a key part in the creation and amplification of poverty via limitation of the extent to which the poor and or marginalized communities access financial services.
- Broadly, a person is considered financially excluded when he or she is not able to access some or all the services offered by mainstream financial institutions in his or her country of residence due to problems associated with access, conditions, prices, marketing or self-exclusion.
- Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of the society.
- According to the results of the Finscope survey carried out in 2014, financial inclusion in Zimbabwe has increased from 60% in 2011 to 77% in 2014. Mobile money has been the major driver of financial inclusion. Banks are the main drivers of transactional and credit products although banking costs remain a barrier to banking. Banking infrastructure is inaccessible to those in rural areas where 70% of the population live.
- As expected, financial exclusion is relatively higher in rural areas due to the limited access to banking infrastructure and limited employment opportunities. The study revealed that the banked population has increased from 24% (1.45 million) in 2011 to 30% (2.08million) in 2014. Banking in Zimbabwe is largely driven by the use of transactional products. A high percentage of the population (70%) is not banked with the majority of those indicating that they do not need a bank account (74%).

Deposit Protection and Financial Inclusion.

- Deposit protection schemes promote financial inclusion via protecting a majority of the depositors, levelling the playing field, promoting confidence in formal financial institutions by affording broad access to safe and affordable small savings accounts and complementing other financial safety net players.

To be continued in the next article.....

For more information on the Deposit Protection Scheme contact:

PUBLIC RELATIONS DEPARTMENT

Evelyn House, 26 Fife Avenue/Cnr Blakiston Street, Harare.
P.O. Box 7390

Email: info@dpcorp.co.zw | Telephone: +263 4 250900-1

www.dpcorp.co.zw

