

## **FinScope Botswana 2009 launched**

A majority of the Botswana's adult population remains unbanked, and there has been little progress since 2004, according to the FinScope Botswana 2009 survey.

The results of the survey were presented at a launch to stakeholders at the Maharaja Conference Centre on July 31, 2009. The event was attended by people from all sectors of the financial services industry.

The 2009 survey shows that 41% of the population is "banked," which means they are currently using banking services. A further 11% have used banking services in the past but are no longer doing so. The rest of the adult population (48%) remains "unbanked".

The situation remains more or less the same as it was in 2004, while the absolute number of adults using banks has increased, the proportion of the adult population who are banked has not and hence there has been no significant penetration by the banks into the "unbanked" sector of the population.

The survey shows that a higher proportion of men (48%) are banked than women (36%) and that those living in cities or towns (59%) are more likely to be banked than those in urban villages (37%) and rural areas (24%).

Moreover, those who are employed are much more likely to be banked than those who are not.

The most used banking service is ATMs and the most regular banking activity is cash withdrawals. First National Bank Botswana was shown to be the bank used most often followed by Barclays Bank and Botswana Savings Bank/Post Offices.

According to the survey results, 38% of the population has short-term insurance and 31% use long-term insurance products. Fifty-nine percent of the population is not doing anything to save towards retirement and only 13% are members of a pension or provident fund.

The survey also covers lifestyle attributes of the population and asset ownership, and perhaps one of the more striking statistics is that 85% of the population owns a cellphone. As this includes many "unbanked" adults, this suggests that cellphone-based remittance and banking services may be one way to extend the reach of financial services to the poor.

The statistics and trends uncovered by the survey will provide invaluable guidance to syndicate members in assessing their customer base, both existing and potential. Areas for product development and market penetration can also be identified through further analysis of the data.

The 2004 FinScope survey in Botswana was the first carried out in the country, and the results of that exercise provide a benchmark for those from the 2009 survey. Several financial institutions have used statistics from the analysis of the 2004 data to assess potential markets and product requirements.

FinScope Botswana 2009 has been sponsored by a syndicate comprising the following organisations:

- Barclays Bank Botswana Limited
- Botswana Building Society
- Botswana Savings Bank
- Botswana Life Insurance Limited
- European Commission in Botswana
- First National Bank of Botswana Limited
- Stanbic Bank Botswana Limited
- United Nations Development Programme
- Multi-Sectoral Committee for Poverty Reduction.

These organisations have provided financial support for the project and will now benefit from the full set of data and the results of the analysis. FinMark Trust will hold analysis workshops with all of its syndicate members to ensure that they get maximum benefit from the data.

The survey and related data processing and analysis were carried out by ECDFC, a group of locally based consultants appointed through the European Commission's Framework contracts programme.

The fieldwork was carried out by Emang Professional Services, a 100% citizen-owned Botswana company.

Finmark Trust through its local representatives, Dr Keith Jefferis (FinMark Botswana Co-ordinator) and John Hinchliffe (FinScope Botswana Co-ordinator) provided guidance and quality assurance for the project. Aided by FinMark's team of South African-based experts, they ensured that the survey was executed in accordance with FinScope's international standards.

The sampling process and weighting of data was carried out in conjunction with the Central Statistics Organisation to ensure statistically correct results.

FinScope was developed by Finmark Trust, a South African organisation which focuses on supporting financial access and making financial markets work for the poor. FinScope is a comprehensive national household survey of financial services, needs and usage among consumers aged 18 and over.

The aim of this demand-side study is to establish credible benchmarks, highlight opportunities for innovation in financial product design and delivery, and support policy and regulatory developments, allowing greater access to all affordable and appropriate financial services.

The FinScope programme was originally launched in South Africa in 2002 with a pilot study, and is now run in that country with funding from a private/public consortium of institutions.

FinScope has also been launched in 12 other African countries.

Any enquiries relating to any aspects of FinScope Botswana 2009 should be addressed to John Hinchliffe, FinScope Botswana Coordinator, email [john@dcdm.co.bw](mailto:john@dcdm.co.bw), telephone +267 390 0575.