

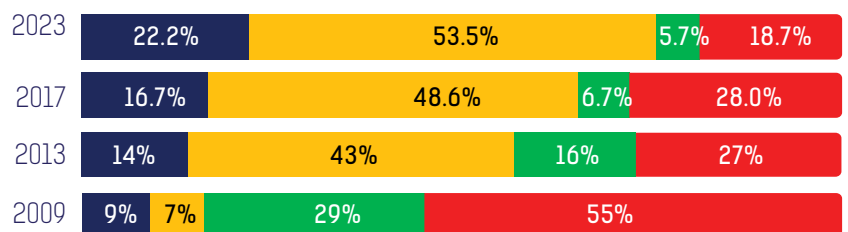


FinScope Tanzania is a comprehensive financial sector demand-side survey of Tanzanian adults aged 16 years and above. It provides an understanding of the financial services uptake landscape across the country and is a reliable measure for demand and usage of financial services across various population segments. Further, FinScope Tanzania's insights clearly present barriers and levers to financial inclusion. The survey oversight is a public-private sector collaboration - spearheaded by the Ministry of Finance and Planning Tanzania and Zanzibar and Bank of Tanzania, the Financial Sector Deepening Tanzania (FSDT), National Bureau of Statistics (NBS) and the Office of Chief Government Statistician Zanzibar (OCGS).

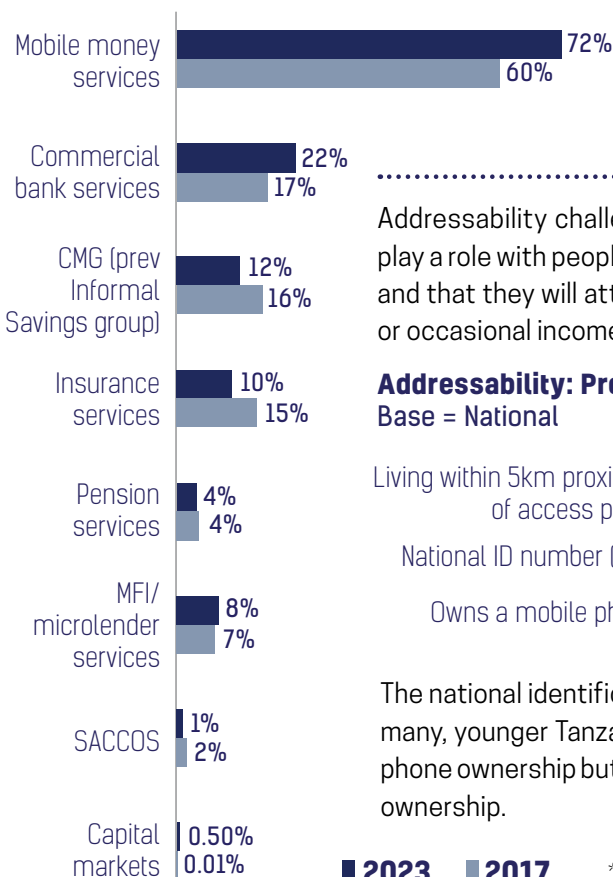
FinScope Tanzania 2023 is the fifth wave in the FinScope Tanzania series with previous waves in 2006, 2009, 2013 and 2017. The full FinScope Tanzania 2023 Report and a dashboard are available under www.fsd.or.tz/finscope

The state of financial inclusion and key developments

Financial inclusion has made big strides in Tanzania. Since 2017, the number of adults excluded financially has fallen to 6.4 million in 2023 from 7.8 million. This reduction in those excluded is even more significant because the adult population has grown 23% over the same period. A rise in mobile money and banking has fueled the rise in financial inclusion.



Uptake of Formal Financial Services

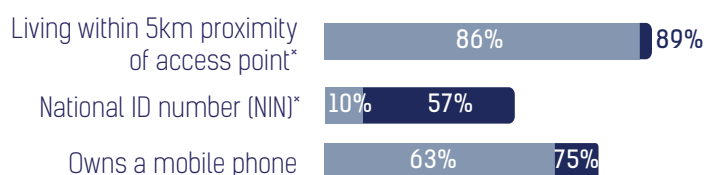


- Have or uptake bank services
- Don't have or uptake bank services but have or uptake other formal services
- Don't have or uptake formal services but uptake informal services
- Financially excluded

Addressability challenges continue to cause their exclusion. Perception issues also play a role with people still thinking that they need more money to open a bank account and that they will attract bad things if they take up insurance. Further, more seasonal or occasional income sources create a lack of financial stability.

Addressability: Proximity, NIN and phones

Base = National



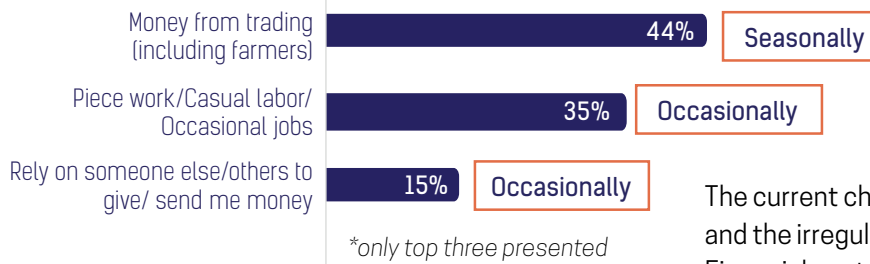
Addressability barriers decline, but remain a **challenge for certain segments**

The national identification number (NIN) roll-out shows a significant increase, although many, younger Tanzanians, are still to receive NINs. There is also an increase in mobile phone ownership but younger Tanzanians and women lag when it comes to mobile phone ownership.

Barriers and Next Frontiers

Considerable progress is still needed to get Tanzanians to formally transact and use financial services for development.

How is personal revenue generated and how frequently is money received from these sources?*



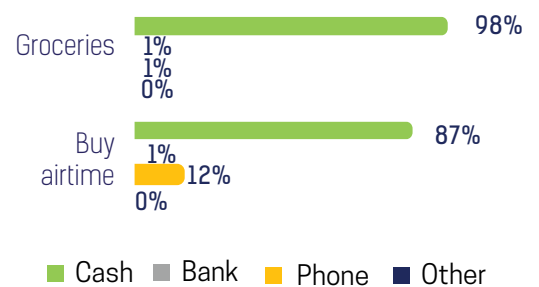
Only **13%** of Tanzanians' main income sources tend to be paid frequently

The current challenges are partly due to the way people earn and the irregularity of many of the dominant income sources. Financial sector products need better meet these realities.

There is a gap converting trial into the regular use of digital payments mechanism for purchasing goods. Although Tanzanians have tried to use lipa number services, their usage is yet to become regular.

These payments are the next frontier to achieve increased benefits from the use of formal financial services, establish reliable transaction histories, and to increase overall financial sector security.

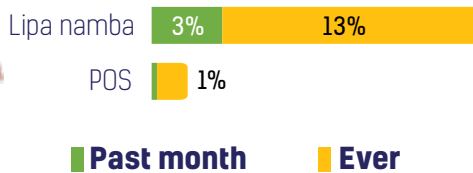
How do they make payments?



Moving from cash to formal payments is a key challenge



Merchant payment channels used to purchase goods, all adults



A large majority of Tanzanians **borrow or save to survive**

Saving and borrowing are focused on cashflow management. The challenge is to increase the number of Tanzanians using finance for developmental objectives. This would also increase customers' satisfaction with product usage.

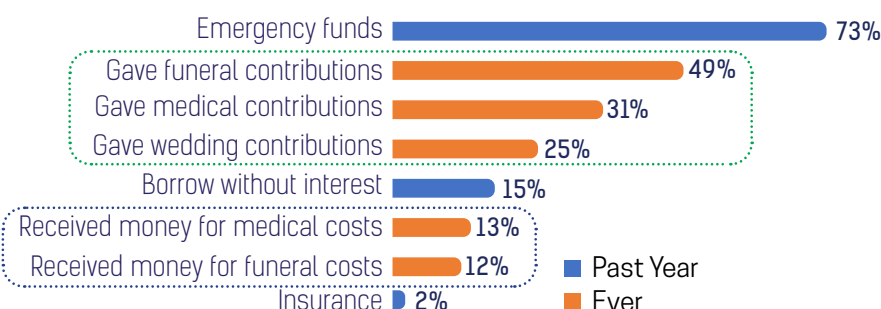
The Tanzanian Insurance sector, from a supply side perspective saw an 82% increase of its total Gross Premiums Written (GPW) between 2017 to 2023 (1,159,348 Million TZS). FinScope Tanzania, being a demand side household survey, measures insurance uptake in terms of people reporting that they have insurance cover, hence awareness is key, from a demand side perspective a decline in people reporting to be covered has been observed since 2017.

Interestingly, alternative risk mitigation mechanisms such as CMGs also indicate a need for covers beyond health, such as funeral costs.

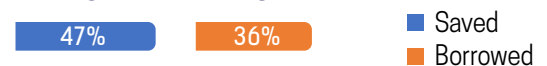


CMG member (12% of Tanzanian adults) claimed group risk management activities

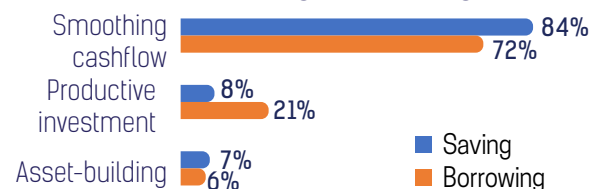
What emergency activities use CMG members their CMG for?



Saving or borrowing in 2023



Main reason for saving & borrowing



Core Implementing Partners:

