

Denny H Kalyalya: Protect your money, secure your future

Speech by Dr Denny H Kalyalya, Governor of the Bank of Zambia, at the Launch of the 2024 Financial Literacy Week, Lusaka, 18 March 2024.

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The Minister of Finance and National Planning, Hon Dr Situmbeko Musokotwane, MP, represented by the Permanent Secretary for Economic and Financial Management, Mr. Denies Chisenda

The Permanent Secretary for Technical Services, Ministry of Education, Mr. Joel Kamoko

All Senior Governmental officials, present

The Chief Executive Officer, Securities and Exchange Commission, Mr. Phillip Chitalu

The Registrar of Pensions and Insurance Authority, Mrs Namakau Ntini

The Chairperson of the Bankers Association of Zambia, Ms Lowani Chibesakunda

All Chief Executive Officers of Financial Services Providers

All Cooperating partners

Boys and Girls

Distinguished Invited Guests

Members of the Media

Ladies and Gentlemen

Good morning

I am pleased to extend a warm welcome to you all for joining us for this year's launch of the public awareness campaign for the Financial Literacy Week activities, scheduled for 18 to 24 March 2024.

The campaign will be marked by a variety of activities, such as, public exhibitions, debates, and media programmes that will be conducted by financial institutions and stakeholder partners in all the ten Provinces of our country.

Distinguished Guests, the theme for this year, "**Protect Your Money, Secure Your Future**," aligns with the official theme for Global Money Week 2024 and has been adopted by Financial Literacy Week in Zambia. This theme emphasises the importance of adopting a responsible and security-conscious approach to managing personal finances, by being mindful of potential risks in the financial sector and safeguarding one's hard-earned money. These risks include financial scams that include fraud,

pyramid schemes, cyber-attacks, and identity theft. Limited financial literacy and awareness about safe usage of digital financial services increase the likelihood of individuals falling victim to these risks. With the increased usage of Digital Financial Services, financial scams have also increased.

As financial sector regulators and services providers, we are obliged to disseminate information about the risks that may be associated with different types of services and products in order to increase public awareness on how to save, borrow, and invest financial resources safely in an increasingly digitised environment. Therefore, I urge financial service providers and stakeholders to join the 'Go Cashless' campaign, which the BoZ will continue to conduct this year, aimed at scaling up the safe usage of digital financial services in the country.

Ladies and Gentlemen, in accordance with this year's theme, we would like to implore consumers of financial services and products to take a keen interest in safeguarding their money by engaging with licensed financial institutions. In recent years, the Bank of Zambia has observed a rise in the number of individuals who have fallen victim to promoters of money circulation schemes, resulting in the loss of their hard earned income and jeopardising their future. This trend is deeply concerning. The general public is therefore urged to be vigilant and report all suspicious financial institutions to law enforcement agencies. At the same time we want warn all fraudsters that the law will catch up with them.

Esteemed Guests, we firmly believe that the development and execution of national strategies on financial education and inclusion have established a robust framework that facilitates effective engagement among various stakeholders, including Government, financial sector regulators, financial service providers, and the private sector. This collaborative effort has led to various initiatives to heighten awareness among the public regarding the availability and safe usage of financial products and services nationwide.

An important milestone to note is the publication of financial education supplementary books for students in Grades 1 to 12, which have been integrated into the school curriculum and translated into 7 local languages for Grades 1 to 4. These books were developed through a collaborative effort by the Ministry of Finance and National Planning, the Curriculum Development Centre under the Ministry of Education, the Bank of Zambia, and other key stakeholders with the objective of providing our future generations with the essential knowledge about making well-informed financial decisions for their financial well-being. Today, we will witness the official launch of the supplementary books.

Distinguished Guests, as we have said before the Finscope 2020 Survey, revealed that there has been an increase in overall financial inclusion in Zambia from 37.3% in 2009 to 69.4% in 2020. However, despite the increase, it has been observed that awareness levels regarding financial products and services remains low in rural areas. According to the findings of the 2022 Micro, Small, and Medium Enterprises Finance Survey, awareness levels regarding financial products and infrastructure tend to be higher among business owners in urban areas compared to those in rural areas. For example, the awareness level for business loans was 69.7 percent in urban areas compared to 59.1 percent in rural areas. Similarly, awareness of property insurance

stood at 49.7 percent in urban areas in contrast to 27.8 percent in rural areas. Additionally, awareness of micro-credit was at 40.4 percent in urban areas, while it was at 27.6 percent in rural areas.

Given this challenge, I would like to encourage financial service providers to consider, among other measures, employing the agency model for the provision of financial services to people in rural districts that lack physical presence of commercial banks or financial service providers. The Bank of Zambia and the Ministry of Finance and National Planning have embarked on enhancing rural financial inclusion by promoting the use of public institutions, such as, health centres for the provision of financial services. In this regard, the General Access Point Inspection Report provides detailed insights into the location and adequacy of the health centres for setting up office space. This report is readily available for reference on the BoZ website (www.boz.zm).

Ladies and Gentlemen, please be reminded that as part of the National Strategy for Financial Education, the Financial Literacy Awards are held annually in October. The objective of these awards is to recognise the efforts made by individuals and institutions to reach out to the public through financial literacy awareness initiatives. In this regard, I urge you to submit your portfolio of financial literacy activities and initiatives to the Financial Literacy Working Group for consideration for this year's awards.

As I conclude, please allow me to extend my sincere gratitude to the Working Group under the National Strategy on Financial Education Phase II for organising the Financial Literacy Week. I particularly commend the Ministry of Finance and National Planning Financial Education Team, our other fellow financial sector regulators (the Pensions and Insurance Authority and the Securities and Exchange Commission), the Bankers Association of Zambia, and our collaborating partners DSIK (the German Sparkassenstiftung) Zambia, Financial Sector Deepening Zambia, and all other stakeholders who have consistently supported the Financial Literacy Week commemorations each year.

The Bank of Zambia remains steadfast in its commitment to supporting this national event, and we encourage all financial institutions and stakeholders to actively participate and continue conducting financial literacy activities nationwide throughout the year.

THANK YOU FOR LISTENING. GOD BLESS!