Top Line Findings

➢ 83% of Kenyan adults are formally included, up from 75% in 2016
➢ Exclusion is down to 11%

Change in % of population using key services (2016-2019)

➢ Use of mobile money, mobile banking, and digital apps has risen substantially - Digital apps now have 2 Million users
➢ 6% more Kenyans are using insurance than in 2016 (1.5M people)
➢ Use of SACCOs, MFIs and traditional banking (excluding mobile banking), is down

Financial inclusion by region

➢ Nairobi and Mombasa are now reaching full inclusion at 96% and 94% respectively
➢ There has been little change in inclusion in the southern and eastern counties
➢ In central Kenya inclusion has declined by 2%
➢ But the west has seen a rise of 7% - 13%
➢ The big surprise is the north east where inclusion has risen by nearly 60%

THE NUMBERS AT A GLANCE

- Mobile money accounts: 79%
- Mobile bank accounts: 25%
- Traditional bank accounts: 41%
- National Hospital Insurance Fund: 28%
- Digital App loans: 8%

FORMAL EXCLUDED

Change in % of population using key services (2016-2019)
Informal finance remains strong

Despite the spread of formal finance, over 60% of Kenyans still use informal solutions: (e.g. chamas, borrowing from friends and family, shop keeper goods on credit and cash savings at home)

Cash is still king

- Daily transactions are almost entirely cash based (98%).
- Mobile money is important for bill payments and nearly half of internal remittances are now digital
- Apart from cash, people prefer bank transfers over mobile money for paying school fees

Saving and borrowing

Kenyans are savers with 70% of the population saving formally, informally or at home. The mobile wallet is the most popular savings device, followed by the chama

Borrowing is fast rising: shopkeeper goods on credit has risen from 10% in 2016 to 30% in 2019, a huge leap; while uptake of mobile banking has gone up from 6% to 10%

Top 3 saving and borrowing devices
Uses of Credit and Savings

- Debt is used mainly for consumption
- Savings is used for a range of purposes

Debt Stress

- Over 50% of borrowers sold assets, borrowed or cut back on expenses to repay loans
- A quarter were over-leveraged with debt servicing repayments over half their monthly expenditure
- 18% had defaulted

And over two thirds of borrowers experienced at least two of these conditions, showing signs of debt stress

Consumer protection challenges

- Over a third of mobile money users experienced fraud;
- 7% of bank users mentioned challenges with transparency, including unexpected charges
- While system failure including ATMs and mobile channels was a problem across these three services
Does formal inclusion help Kenyan's to invest, manage shocks and cope with day to day shortfalls?

- Kenyans mostly use informal solutions such as assistance from friends and family to deal with their needs.
- Non-financial solutions also play an important role, including working more and selling assets.
- Formal finance plays a more limited role, but formal savings is important, especially for investment.

Financial well being of Kenyans

- Financial health measures the impact of finance on people’s financial wellbeing. In 2019 financial health across the population dropped from nearly 40% in 2016 to just over 20% in 2019,
- Over half the population said their lives had worsened.