



finaccess DATA FEST

FinAccess overview

Charting Kenya's financial
inclusion journey



Introduction

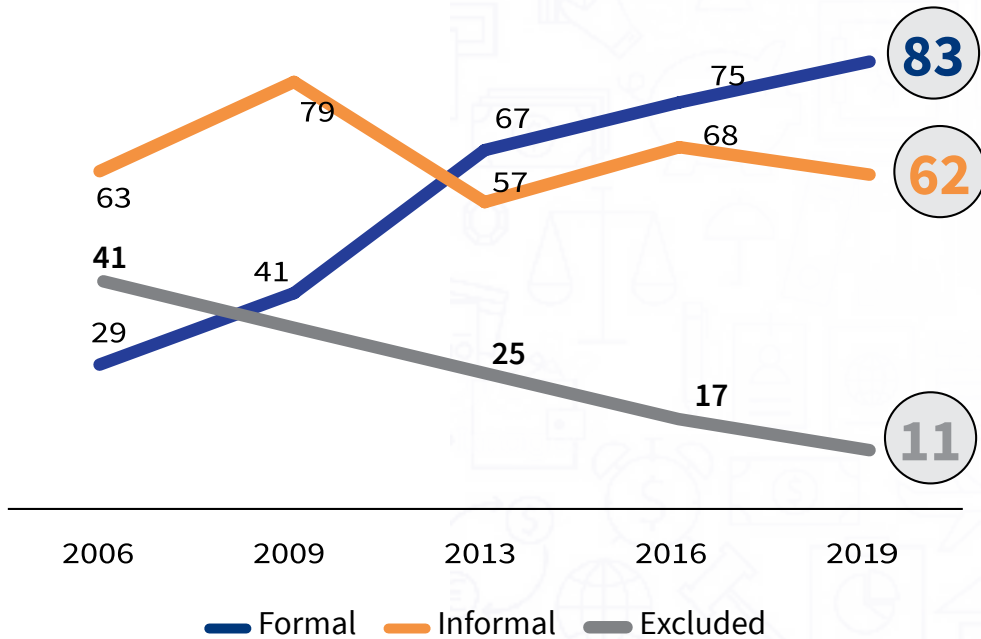
- Financial inclusion is a key pillar in developing a globally vibrant and competitive financial services sector.
- An inclusive financial sector underpins the achievement of Kenya's Vision 2030 including our fast growing digital economy.
- Financial inclusion is also central to improving household welfare and achieving Kenya's aspirations under the sustainable development goals.



Objectives of the survey:

1. Provide nationally representative data to track progress towards financial inclusion
2. Understand drivers of financial behaviour (formal and informal)
3. Identify challenges and opportunities for deepening financial inclusion
4. Inform evidence-based policy and business development

How has FinAccess evolved over time?



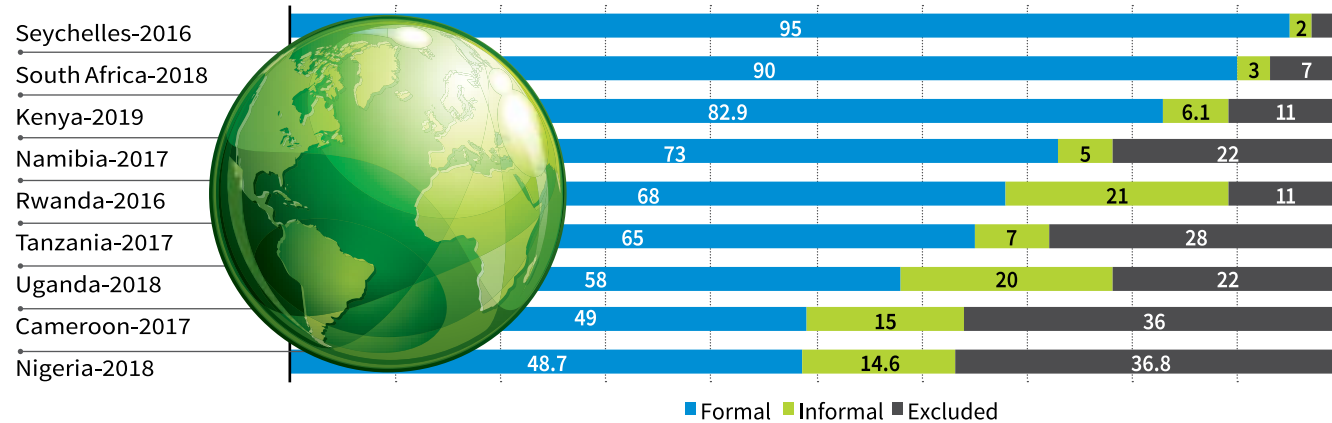
Charting Kenya's journey towards financial inclusion since 2006



Providing the frameworks to shape our thinking and change our goals

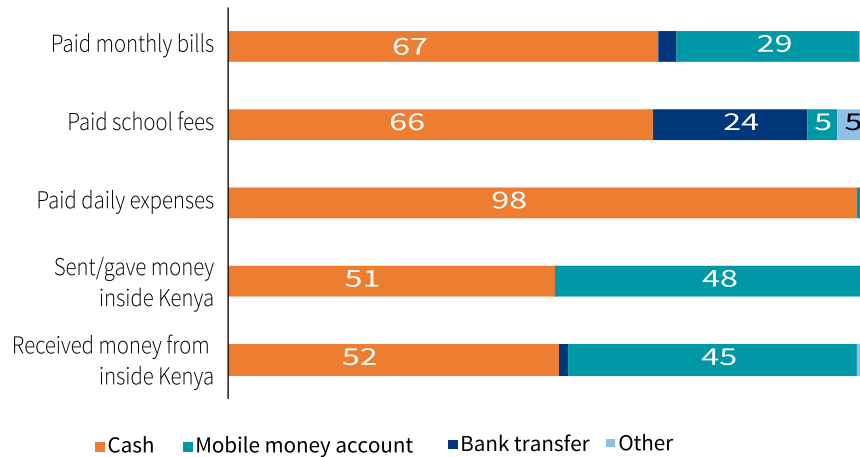
FinAccess: comprehensive data on all aspects of financial inclusion

Financial inclusion cross country comparison



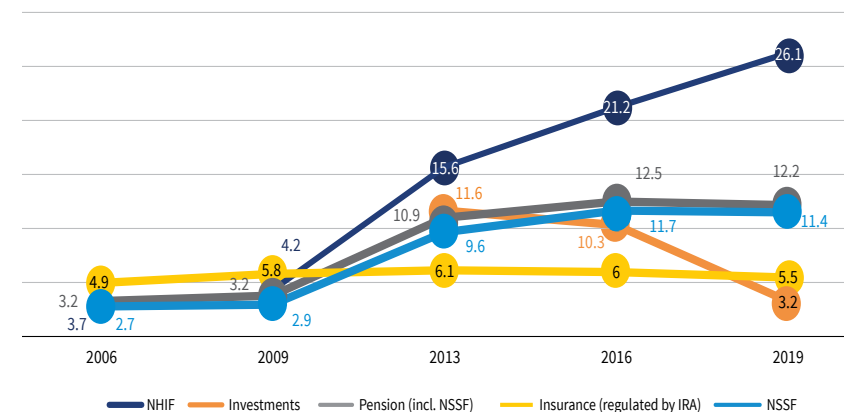
How does Kenya's financial inclusion landscape compare with its peers?

Mode of payment for key use cases



How deep is Kenya's digital revolution? For daily expenses cash is still King...

Use of insurance, pension and investment



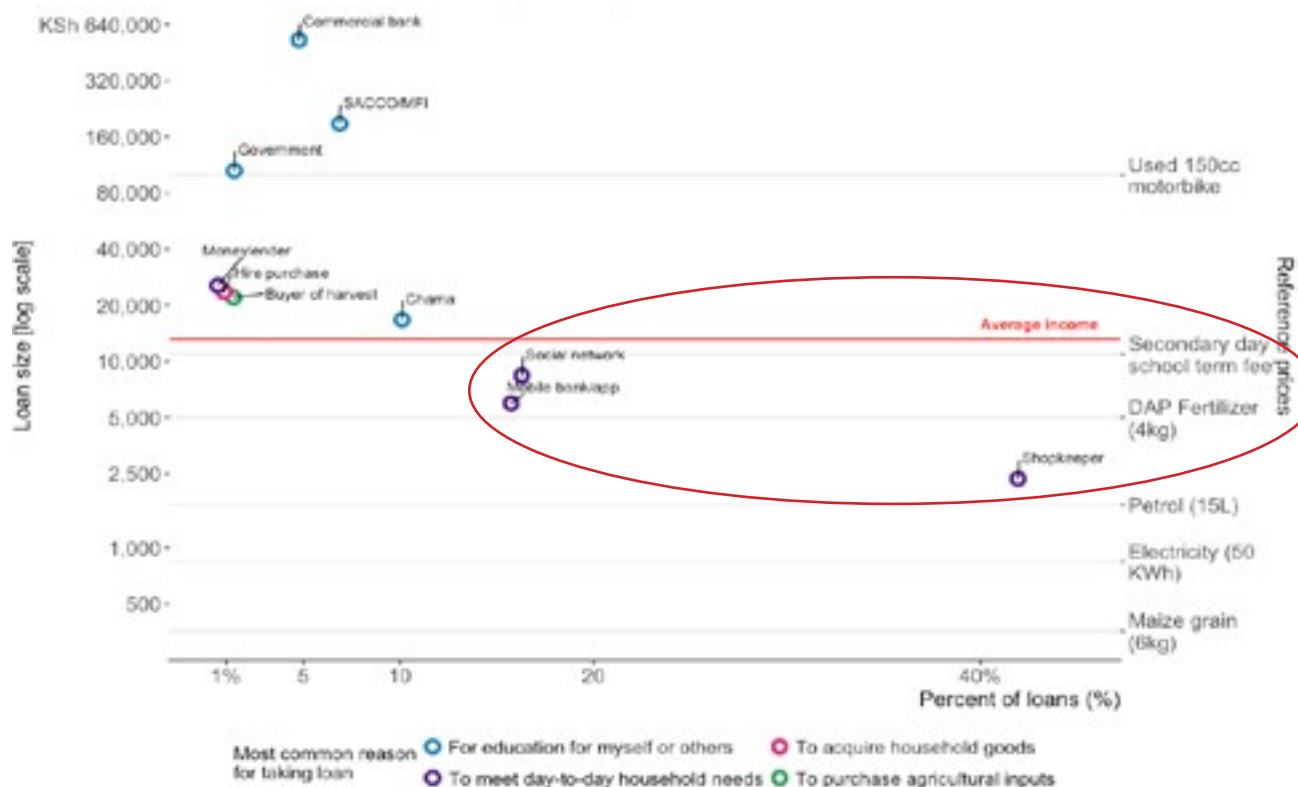
Will innovation increase the uptake of insurance, pension and investment?

FinAccess deep-dive analysis: Understanding the growing market for digital credit

75 percent of loans currently in use are from 3 sources (shopkeepers, mobile banking or app and the social network), typically range from Ksh 2,000 - 10,000 and most commonly used to meet day-to-day household needs.

- Digital loans are the **third most common type of loan in Kenya**, behind shopkeeper credit and social network loans.
- In terms of prevalence of usage and size, digital **loans most closely resemble loans from friends & family**
- They typically **range from 2000 to 10,000 shillings**, unlike loans from commercial banks and SACCOs which are much larger and less prevalent

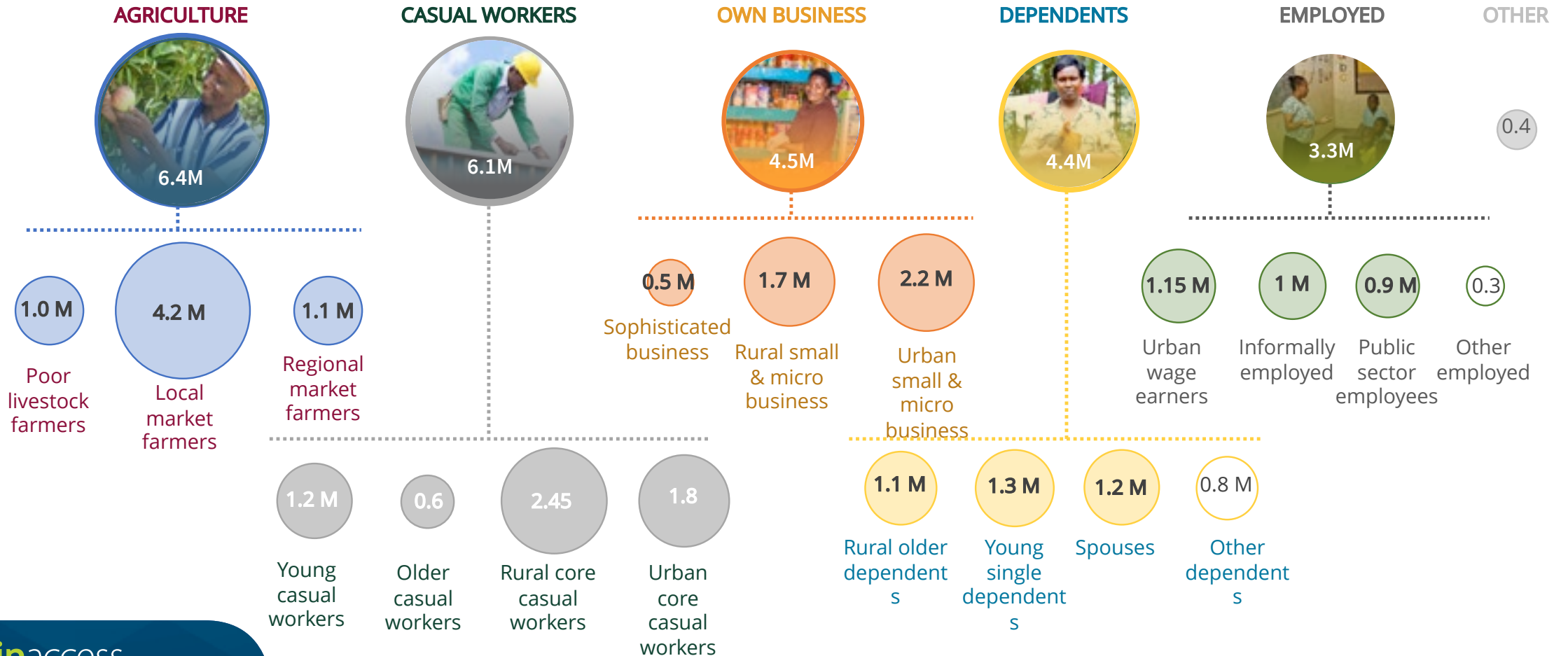
Average size of loan vs. percent of loans currently in use, by lender



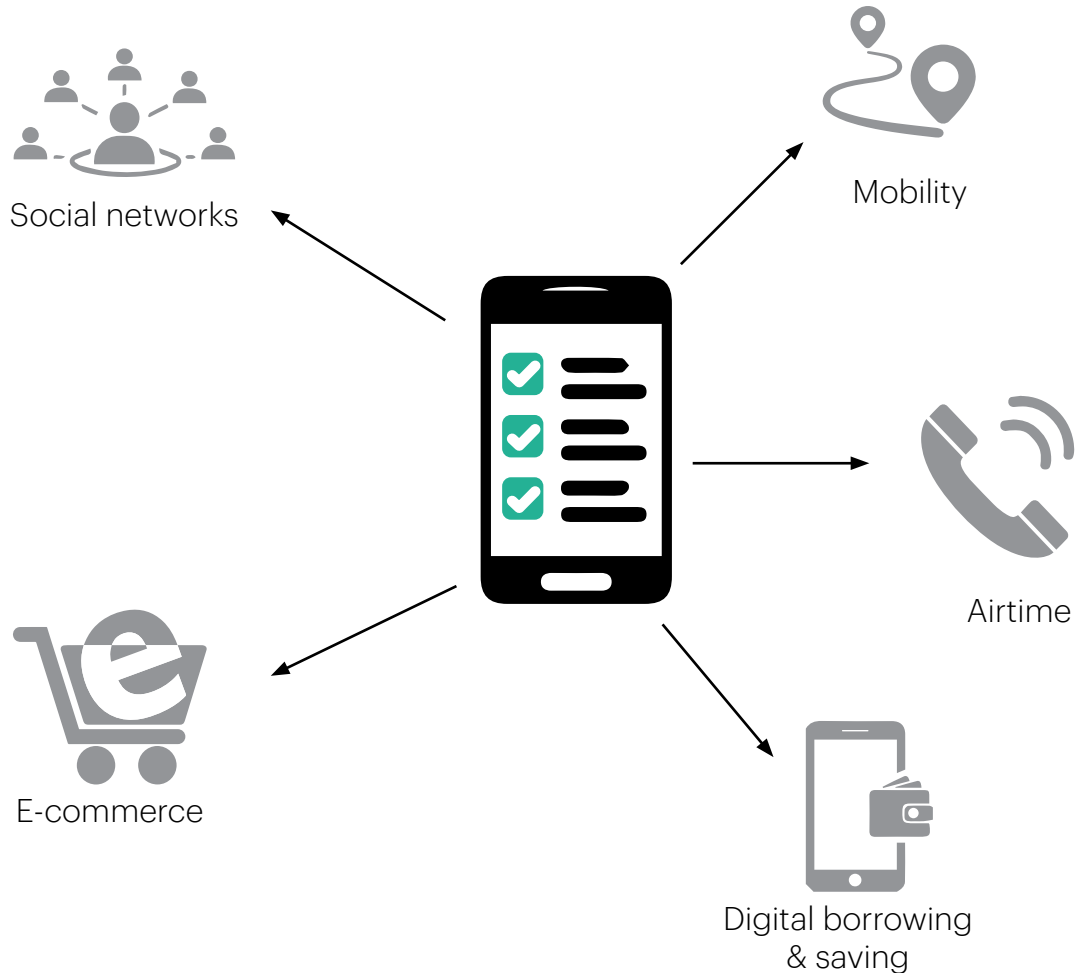
Source: 2019 FinAccess household survey (Which recorded a total of 7,668 loans currently in use). Notes: Reference prices for Petrol, Electricity and Maize grain were obtained from the 2019 Economic Survey. The average price for a used 150cc motorcycle (e.g Boxer) was estimated from on-line classifieds. The out-of-pocket secondary day school term fee was obtained from the Kenya Ministry of Education

FinAccess deep-dive analysis: Understanding unmet financial needs of key market segments

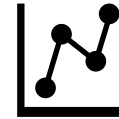
SEGMENTS
(Adults 18+, 25.1 M)



FinAccess in-depth studies: Smart sensing



What are smartphone user's data privacy preferences?



Can high frequency data generated using smartphones be used as a proxy for broader economic conditions; for example to gauge responses to COVID-19 restrictions and economic stress?



How can smartphone data be leveraged for innovation in financial services?

FinAccess subsample of 171 smart phone users consented to participate in a study of smartphone behaviour and its relevance for the future of Kenya's digital economy