



FinAccess 2024:

Digital financial services segmentation

February 2025

Overview of analysis

- In 2023, a segmentation analysis was conducted using the 2021 FinAccess dataset based on a previous segmentation done by the Gates Foundation using Findex data
- The analysis incorporates a digital and finance-focused segmentation model that splits the Kenyan adult population (aged 18 and older) into four mutually exclusive segments
- The aim of the segmentation is to provide a more nuanced view of the formally financially excluded and included population with an added digital lens
- With the recent release of the 2024 FinAccess dataset, the segments have been revised using the new data, and compared with the segments developed previously.
- The segmentation allows us to assess the extent to which the population are becoming more digitally financially included, and to profile those who are being left behind

Key Takeaways

- Segment 4 - the most included, active, and digitally connected segment - grew by 51% from 8.2 million adults 18+ in 2021 (30% of adults) to 12.5 million adults in 2024 (44% of adults)
- The number of women in segment 4 increased by 60% from 3.5 million to 5.7 million
- This was driven by an increase in digital payment usage and an increase in smartphone ownership

Segmentation overview

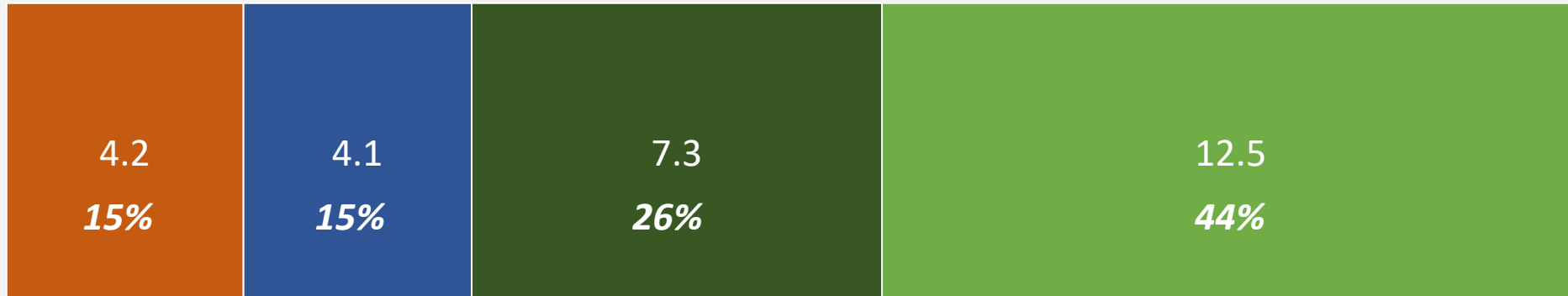
	Segment 1	Segment 2	Segment 3	Segment 4
Segment name	‘Excluded’	‘Included, less active, not digitally connected’	‘Included and active, but not digitally connected’	‘Included and active, digitally connected’
Segment definitions	<ul style="list-style-type: none"> Do not have any formal accounts in their own name Some may use other people’s accounts to transact, but their usage is limited Tend to not be digitally connected, limited ownership of smartphones 	<ul style="list-style-type: none"> Have formal accounts in their own name, but their usage of these accounts tends to be infrequent Almost everyone in the segment does not own a smartphone and have limited access to the internet 	<ul style="list-style-type: none"> Have formal accounts in their own name and use these accounts frequently Make payments digitally as well as in cash, but do not own smartphones and have limited access to the internet 	<ul style="list-style-type: none"> Have formal accounts in their own name and use these accounts frequently Make payments digitally and are highly digitally connected (personally own a smartphone and use the internet at least monthly)

*Note: A **‘formal account’** refers to a person having at least one of the following formal accounts: **mobile money account, mobile banking account, traditional bank account, SACCO or MFI account, other formal loan accounts, insurance account, pension account, investment account and any government social security products (e.g. NSSF) accounts.**

SEGMENT TOTALS

In 2024, 15% of adults aged 18+ fell into the 'Excluded' segment, while 44% of adults fell into the most financially active and digitally connected segment (segment 4)

SEGMENT SIZES IN 2024 (28.2 Million adults 18+)



■ Segment 1
Excluded*

■ Segment 2
Included, with
potential

■ Segment 3
Included and active,
digitally connected but
not a smartphone user

■ Segment 4
Included and active, digitally
connected smartphone /
internet user

Segment overviews (Adults 18+)

	Segment 1	Segment 2	Segment 3	Segment 4
Category	'Excluded'	'Included, with potential'	'Included and active, digitally connected but not a smartphone user'	'Included and active, digitally connected smartphone / internet user'
# Adults (%) age 18+	4.2 Million (15%)	4 Million (15%)	7.3 Million (26%)	12.4 Million (44%)
% have a formal account in their own name*	None, by definition	All, by definition	All, by definition	All, by definition
% use someone else's bank, mobile bank or mobile money account	37%	5%	2%	2%
% made any household payments or sent/received money via a digital channel in past 12 months**	52% <i>Usage through others' accounts</i>	75%	100%	100%
Frequency of formal account usage (own name):***				
Daily user	0%	3%	44%	71%
Weekly user	0%	5%	56%	24%
Monthly user	0%	64%	0%	5%
Inactive user	0%	15%	0%	0%
Not a user	100%	13%	0%	0%
Smartphone user (personally own a smartphone & use internet at least monthly)	14%	6%	0%	100%

Source: **FinAccess 2024**. Note: *Currently use or used in last 12 months any of the following: Mobile money account, mobile banking account, traditional account (i.e. bank, microfinance bank account), microfinance institution account, SACCO account, investment account, insurance account, pension account, or other formal account (i.e. Savings kept in a digital app, digital loans, loan from govt institution, loan from Hustler fund, hire purchase, or loan from insurance). **Individual reported to make any monthly bill payments, school fee payments, payments for daily expenses, government bills, medical expenses, sent/received money from/to inside or outside of Kenya using a digital channel (either bank transfer, mobile money account, mobile money business wallet, bank / Sacco / MFB / merchant/business pay bill / till number, cheque, credit or debit card or international money transfer) in past 12 months. ***Frequency of account usage asked to individuals who reported to have in their own name at least one of the following formal financial accounts: bank, mobile banking, mobile money or Sacco

SEGMENT DEMOGRAPHICS

Over half of those in the 'Excluded' segment are young (less than 25 years old). The "Included with potential" segment is dominated by females (62%), they tend to be older and live in rural areas

	Segment 1	Segment 2	Segment 3	Segment 4																																								
	'Excluded'	'Included, with potential'	'Included and active, digitally connected but not a smartphone user'	'Included and active, digitally connected smartphone / internet user'																																								
GENDER	<p>46% 54%</p>	<p>38% 62%</p>	<p>46% 54%</p>	<p>54% 46%</p>																																								
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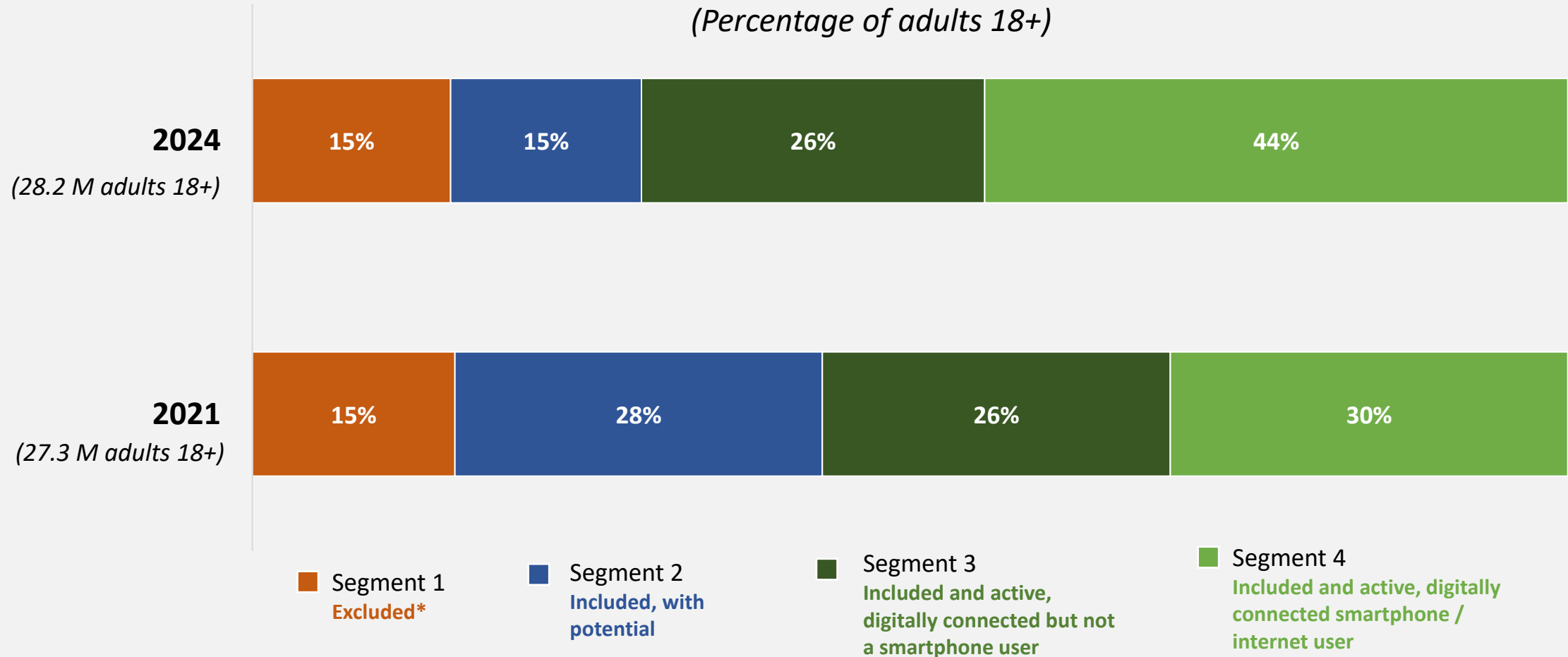
SEGMENT SHIFTS:

2021 VERSUS 2024

SEGMENT SHIFTS (Adults 18+)

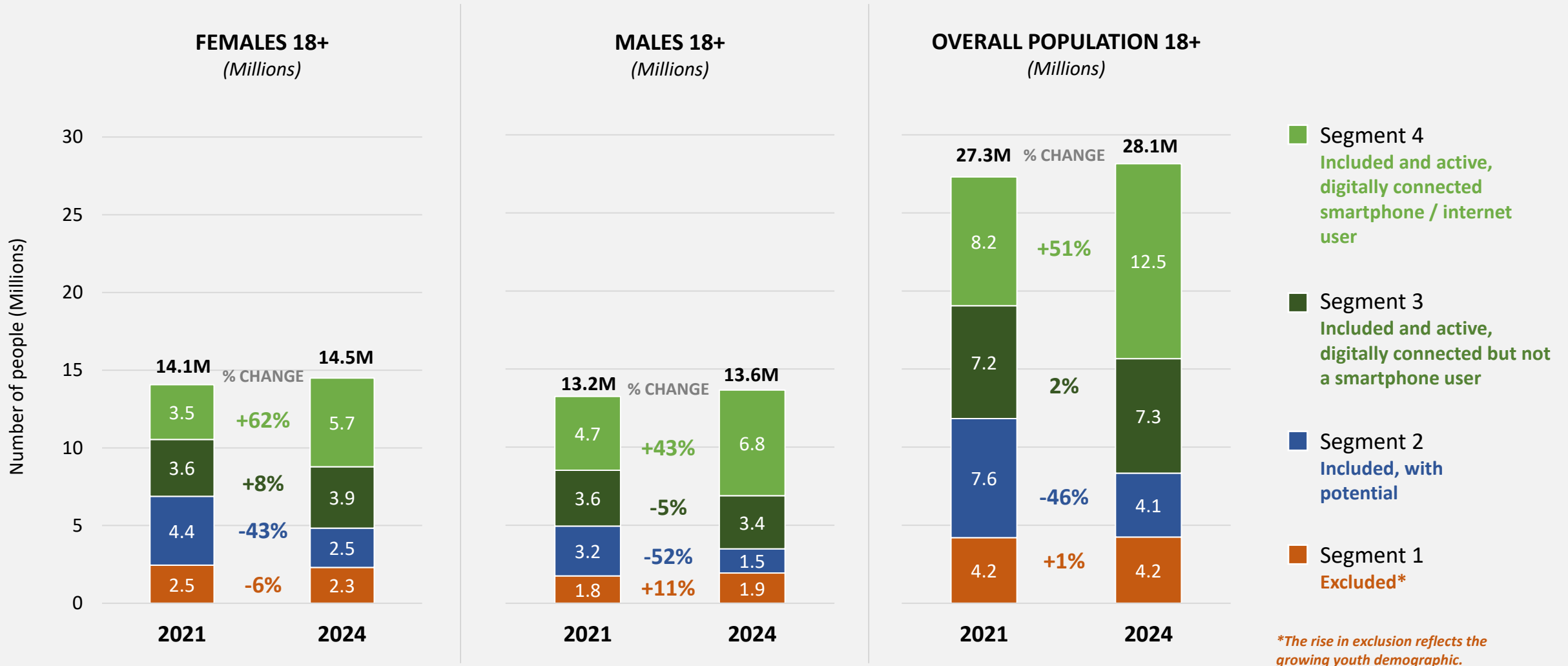
Between 2021 and 2024 there was a shift of adults out of segment 2 (included with potential) into segment 4 - the most included, active, and digitally connected segment

SEGMENT SIZES IN 2021 VERSUS 2024
(Percentage of adults 18+)



SEGMENT SHIFTS

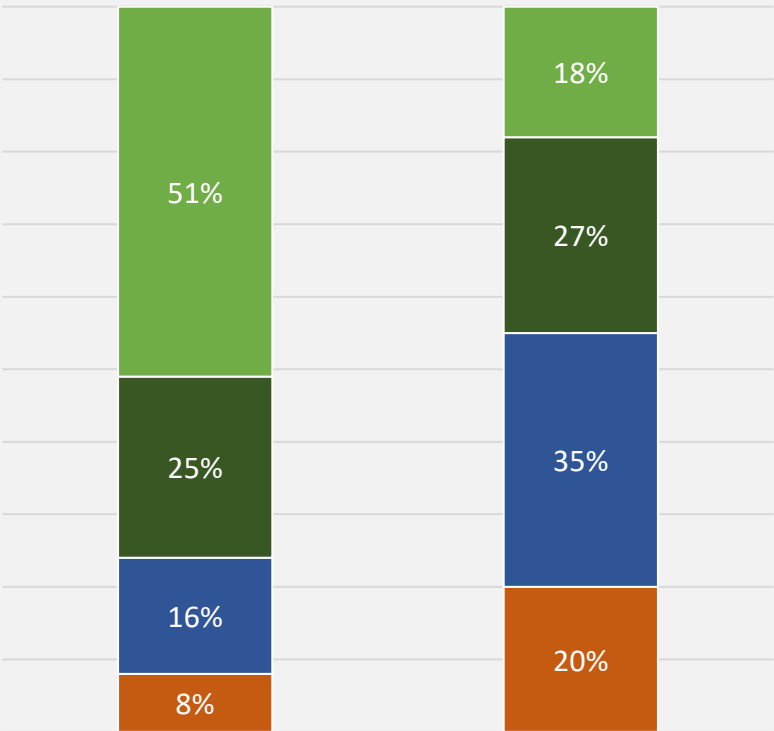
Segment 4 - the most included, active, and digitally connected segment - grew by 51% from 8.2 million adults in 2021 to 12.5 million adults in 2024. The **number of women in segment 4 increased by 62%** from 2021 to 2024 (from 3.5M to 5.7M)



Overall: Urban vs Rural

Location is a very important driver of digital inclusion and formal account uptake and usage. In 2024, over 65% of the urban population were in segment 4 compared to less than 30% of the rural population. However, the proportion of the rural population in Segment 4 increased significantly between 2021 and 2024 from 18% of rural adults 18+ to almost 30%

OVERALL POPULATION (2021)



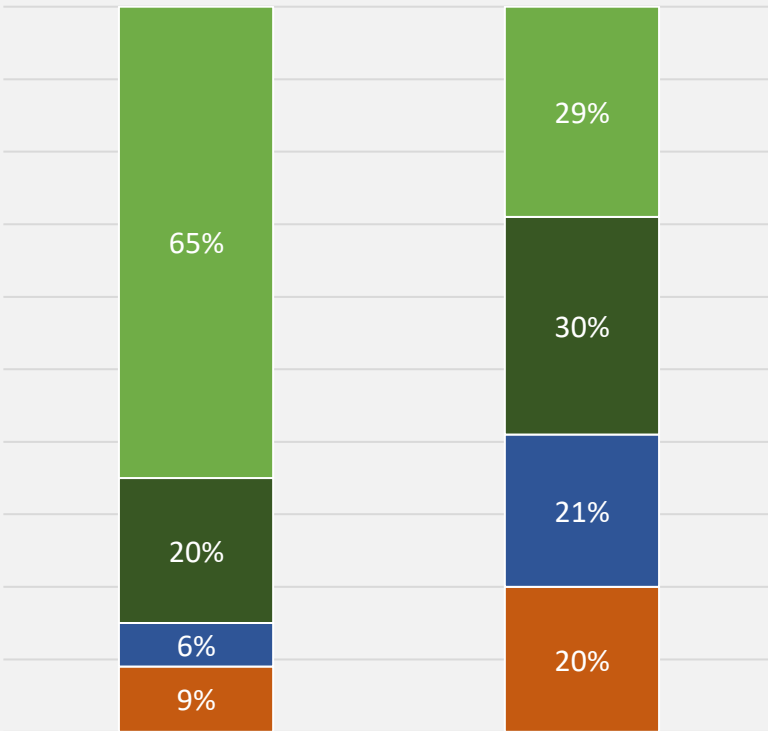
URBAN

10M
(37%)

RURAL

17.3M
(63%)

OVERALL POPULATION (2024)



URBAN

11.7M
(42%)

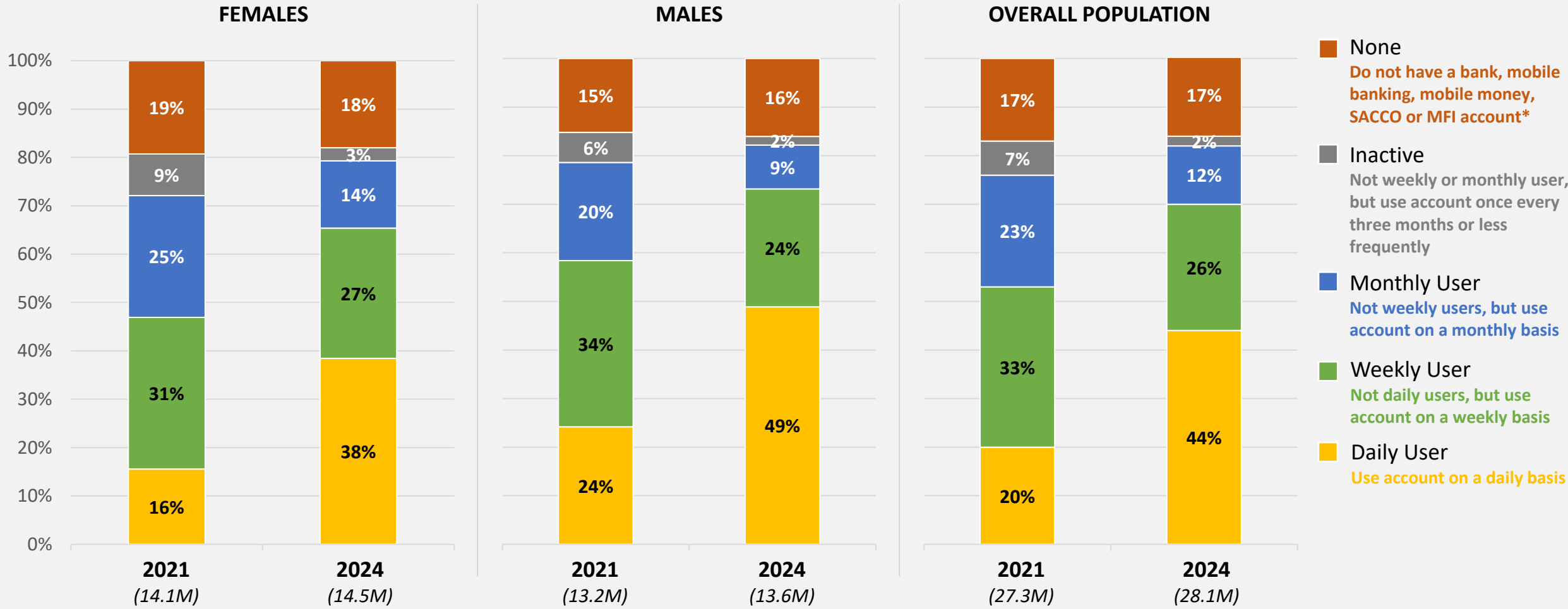
RURAL

16.4M
(58%)

- Segment 4
Included and active, digitally connected smartphone / internet user
- Segment 3
Included and active, digitally connected but not a smartphone user
- Segment 2
Included, with potential
- Segment 1
Excluded

FREQUENCY OF FORMAL ACCOUNT USAGE*

A key reason for the shift to higher-usage segments is the frequency of account usage. A higher percentage of adults are using their formal financial account daily, with 44% in 2024 compared to 20% 2021



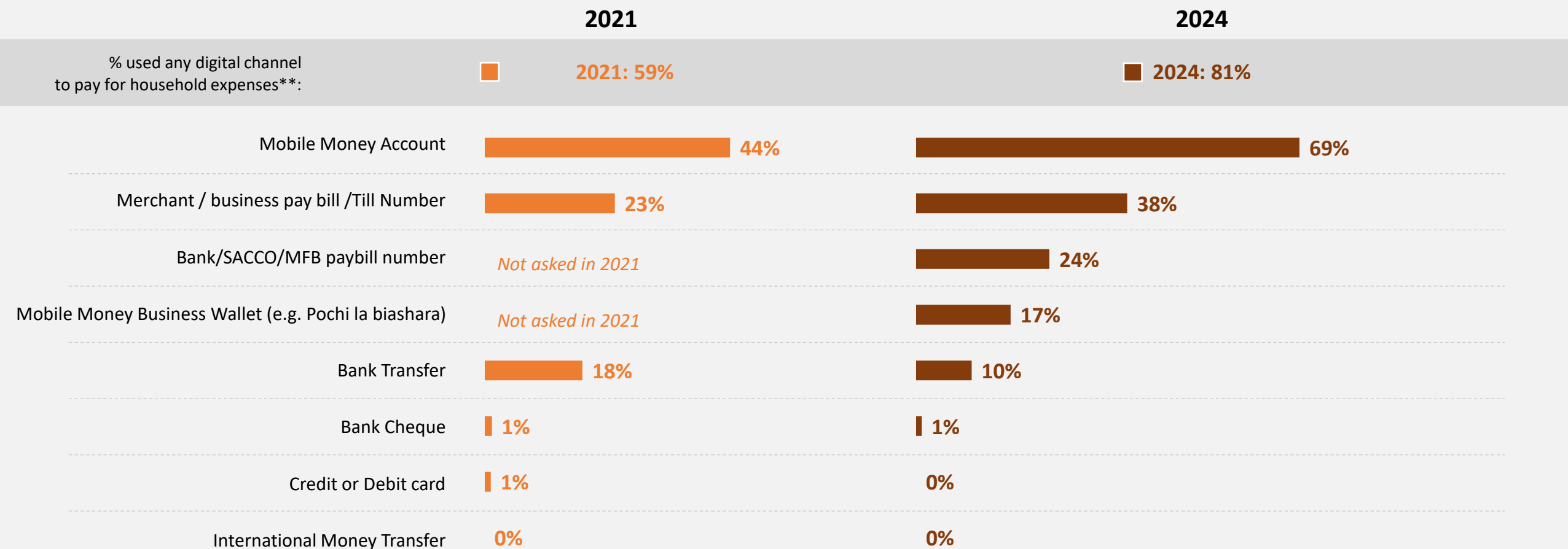
Source: FinAccess 2021, 2024

Note*: Account usage differs for FinAccess 2021 and 2024. In 2021, account usage includes: bank account, mobile money account, mobile banking account, SACCO account and Microfinance institution account. In 2024, account usage includes: bank account, mobile money account, mobile banking account, and SACCO account. There was no question for frequency of usage of an MFI account in 2024.

USAGE OF DIGITAL PAYMENTS

The percentage of the population who used any digital channel to pay for household expenses increased significantly over the period, from 59% in 2021 up to 81% in 2024

% USED DIGITAL CHANNEL TO PAY FOR HOUSEHOLD EXPENSES*



Source: FinAccess 2021, 2024

Note: *Household expenses include monthly bill payments, school fee payments, payments for daily expenses, government bills, or medical expenses. **In 2021, digital channels include bank transfer, mobile money account, mobile banking account, pay bill / till number, cheque, credit or debit card or international mobile transfer; In 2024, digital channels include bank transfer, mobile money account, mobile money business wallet, bank / sacco / MFB / merchant/business pay bill / till number, cheque, credit or debit card or international money transfer

USAGE OF DIGITAL PAYMENTS

The percentage of women who used any digital payment channel to pay for household expenses increased significantly from 2021 to 2024 (56% to 79%)

% USED DIGITAL CHANNEL TO PAY FOR HOUSEHOLD EXPENSES*

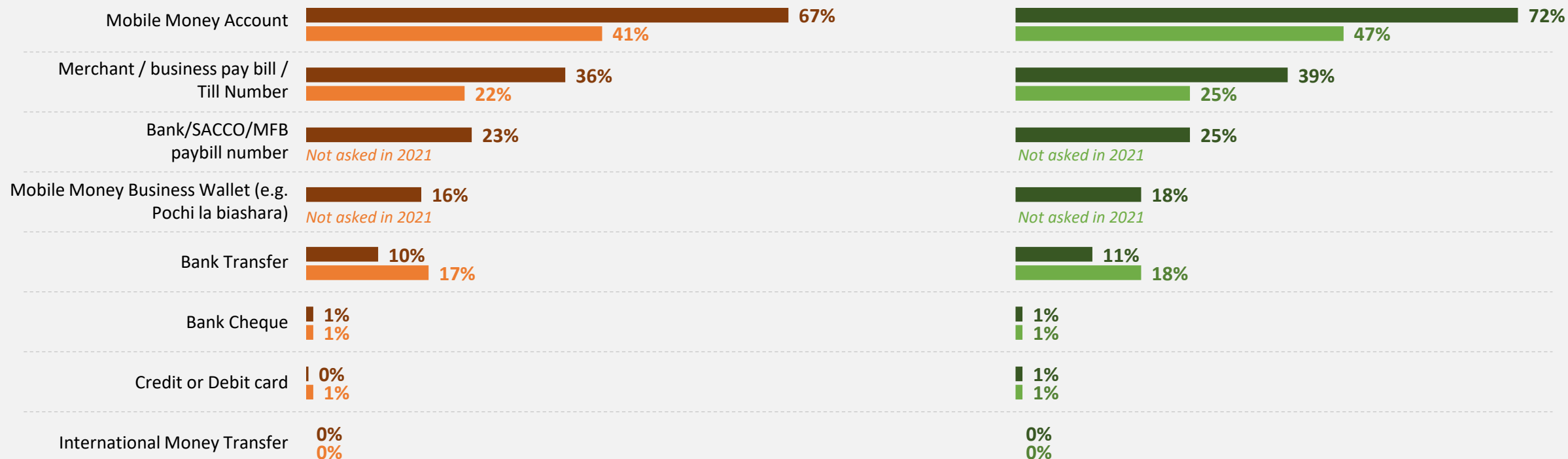
FEMALES

MALES

% used any digital channel to pay for household expenses**:

■ 2024: 79%
■ 2021: 56%

■ 2024: 82%
■ 2021: 61%



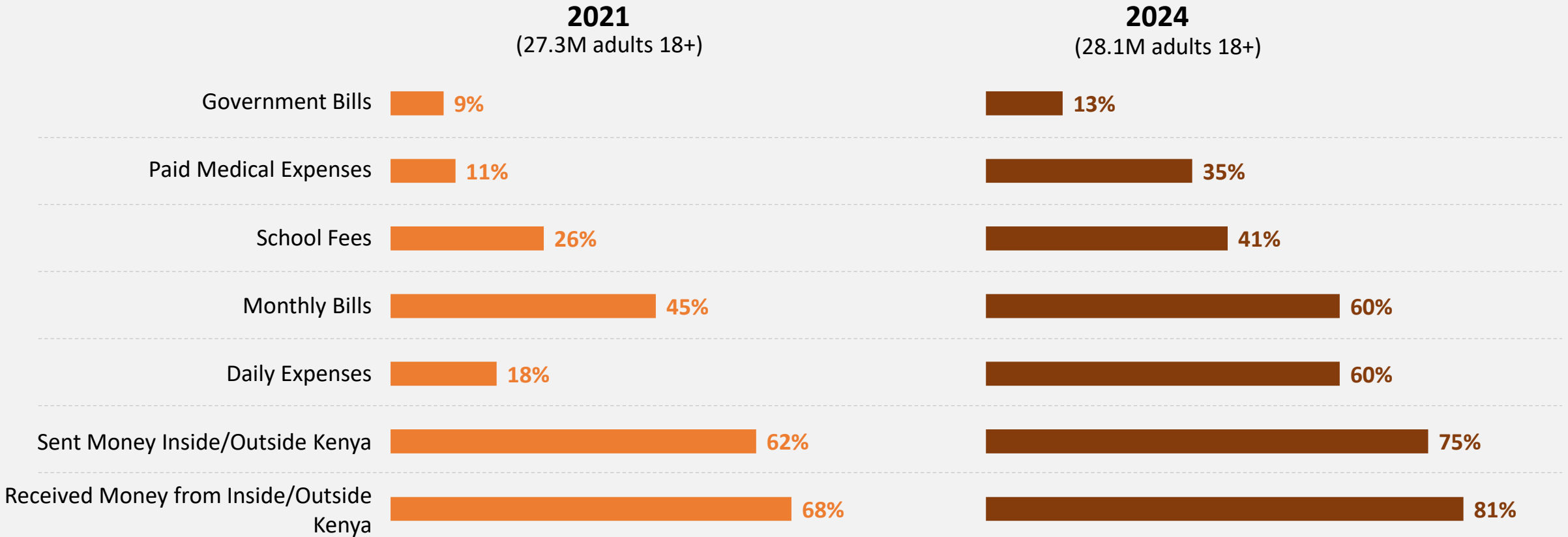
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USAGE OF DIGITAL PAYMENTS

There were significant increases in usage of digital payments across various payment use cases, most notably for daily expenses (increased from 18% of adults 18+ having made a digital payment to 60%), medical expenses (increased from 11% to 35%) and school fees (increased from 26% to 41%)

% MADE HOUSEHOLD PAYMENTS OR SENT/RECEIVED MONEY VIA A DIGITAL CHANNEL* IN PAST 12 MONTHS



Source: FinAccess 2021, 2024

Note**: Individual reported to make any household payments (i.e. monthly bill payments, school fee payments, payments for daily expenses, government bills, or medical expenses) or sent / received money from/to inside or outside Kenya using a digital channel* (2021: bank transfer, mobile money account, mobile banking account, pay bill / till number, cheque, credit or debit card or international mobile transfer; 2024: bank transfer, mobile money account, mobile money business wallet, bank / sacco / MFB / merchant/business pay bill / till number, cheque, credit or debit card or international money transfer) in past 12 months

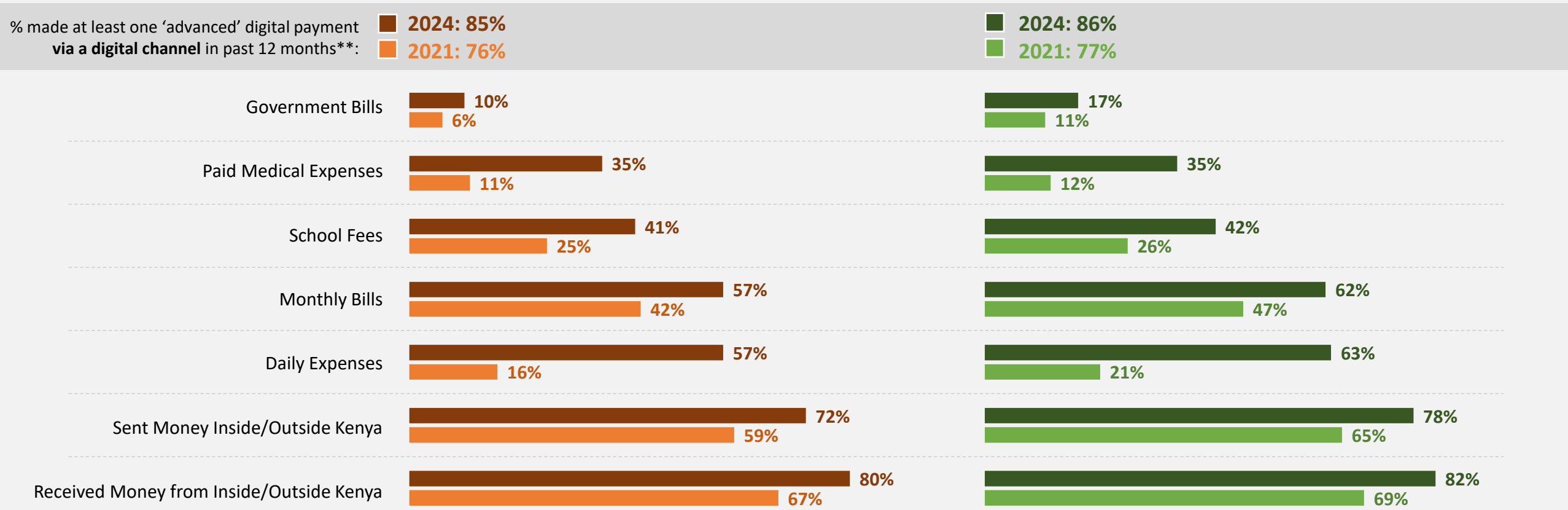
USAGE OF DIGITAL PAYMENTS

The percentage of women and men who made at least one payment via a digital channel in the past 12 months increased between 2021 to 2024. Using digital payments to pay for daily expenses, medical a expenses and school fees increased the most across the payment use cases

% MADE HOUSEHOLD PAYMENTS OR SENT/RECEIVED MONEY VIA A DIGITAL CHANNEL* IN PAST 12 MONTHS

FEMALES

MALES

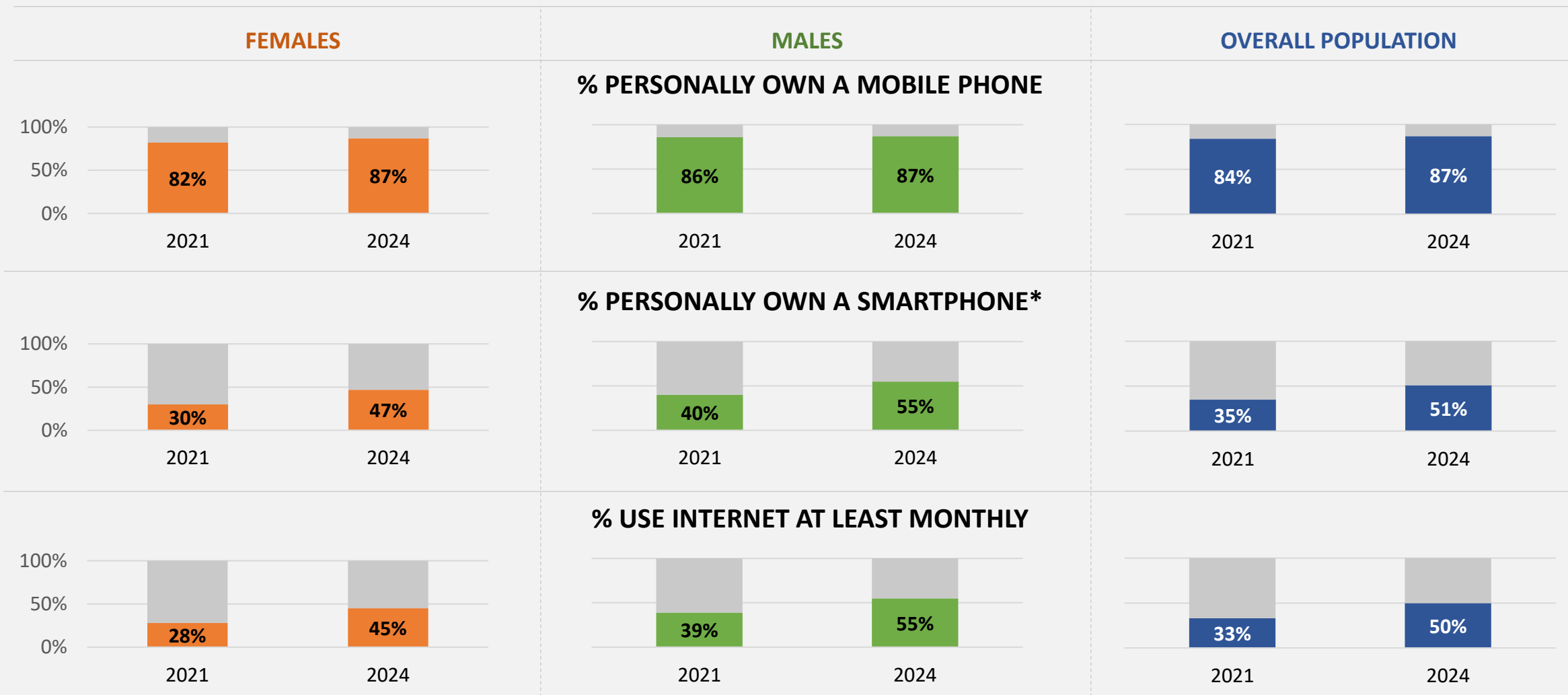


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INTERNET/SMART PHONE USAGE

The percentage of adults who personally own a smartphone has also increased significantly from 35% in 2021 to 51% in 2024



Source: FinAccess 2021, 2024.

Note: *Smartphone identified if mobile phone can access internet, has a touch screen or can download and install applications on the phone

SEGMENT DEMOGRAPHICS

SEGMENT DEMOGRAPHICS

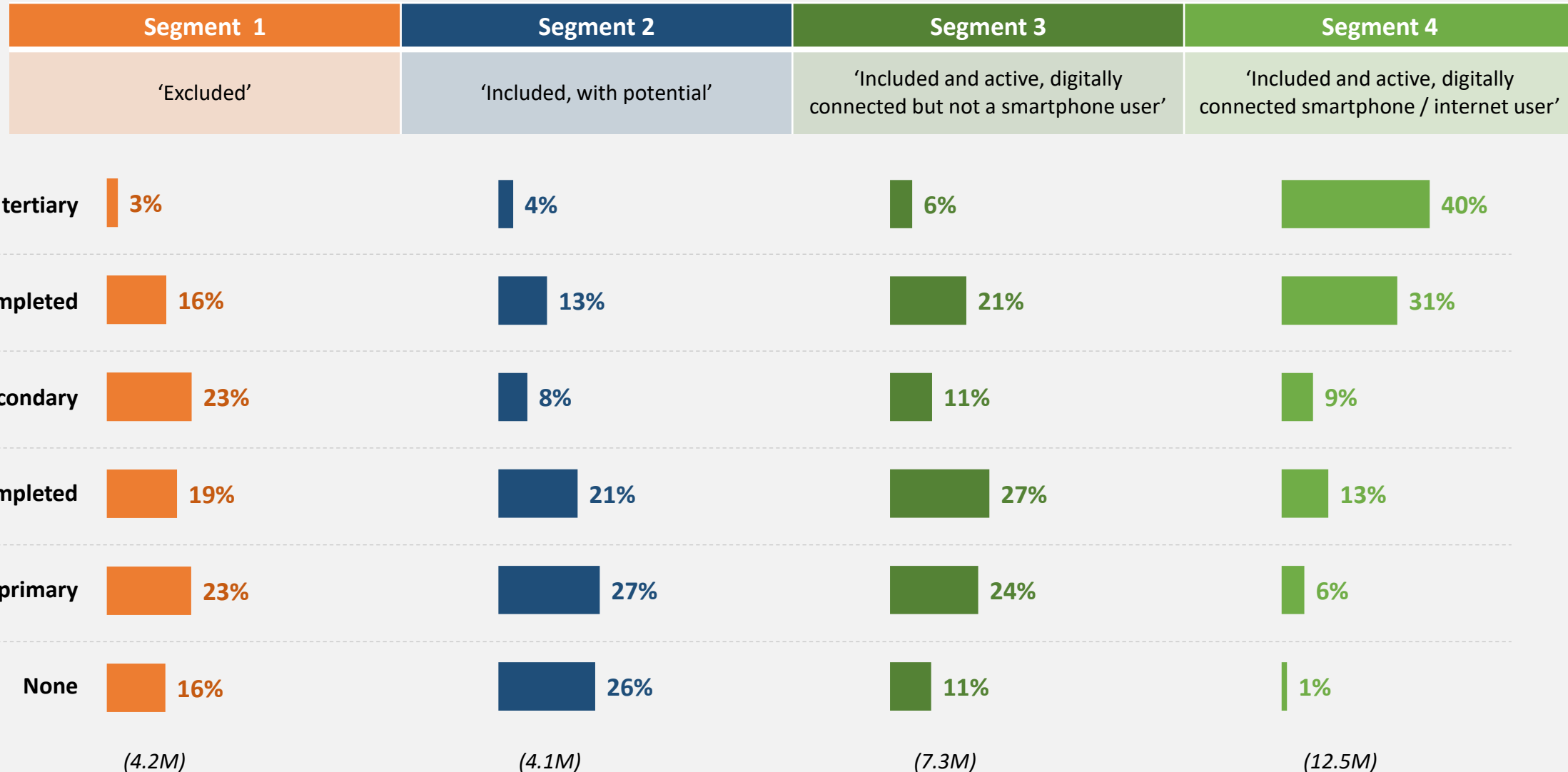
Over half of those in the 'Excluded' segment are young (less than 25 years old). The "Included with potential" segment is dominated by females (62%), they tend to be older and live in rural areas

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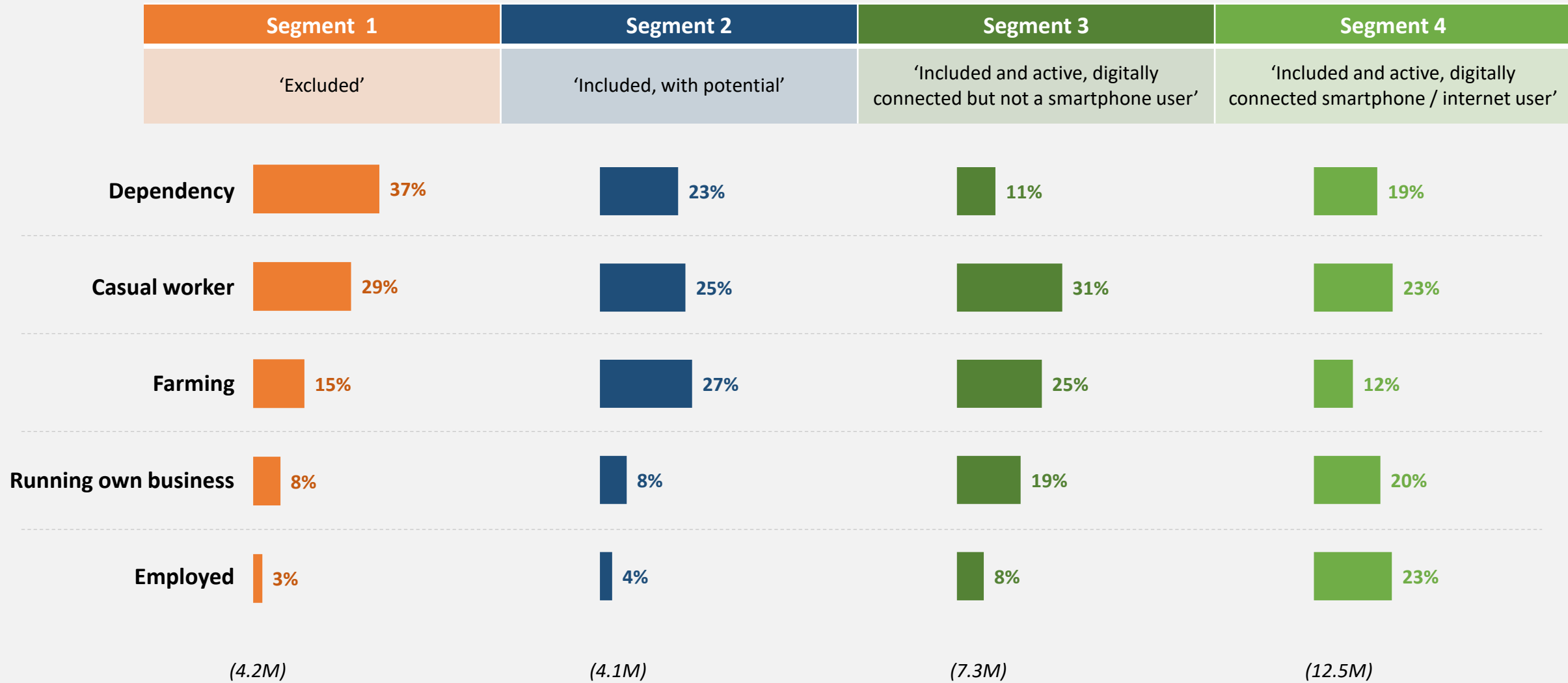
SEGMENT DEMOGRAPHICS

Adults in Segment 4 tend to have at least a secondary education. While most of those in the other segments have not completed secondary education

HIGHEST LEVEL OF EDUCATION (2024)



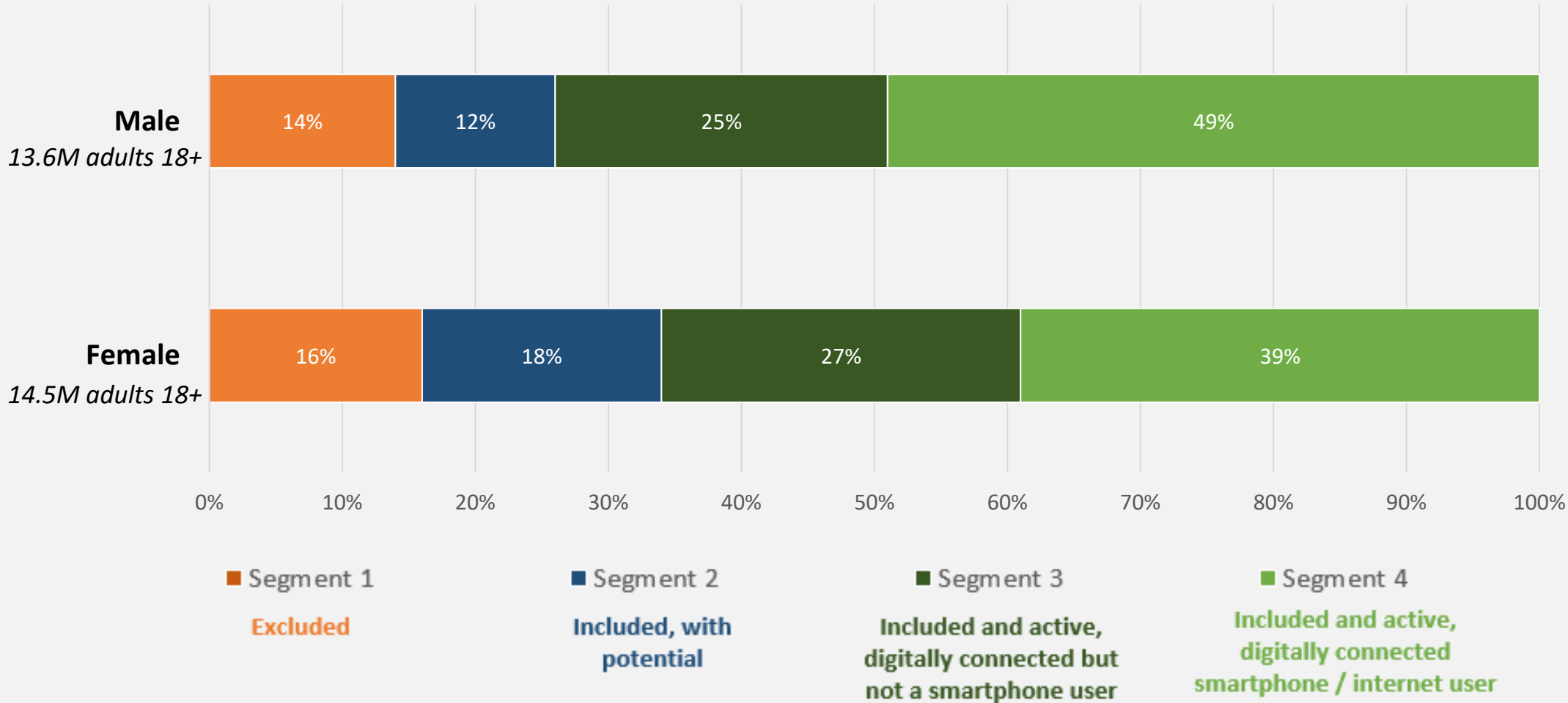
MAIN SOURCE OF INCOME (2024, TOP 5 SHOWN)



Overall: Male vs Female

Almost half of males fall in the most included, active and digitally connected segment (segment 4) compared to just under a 40% of females

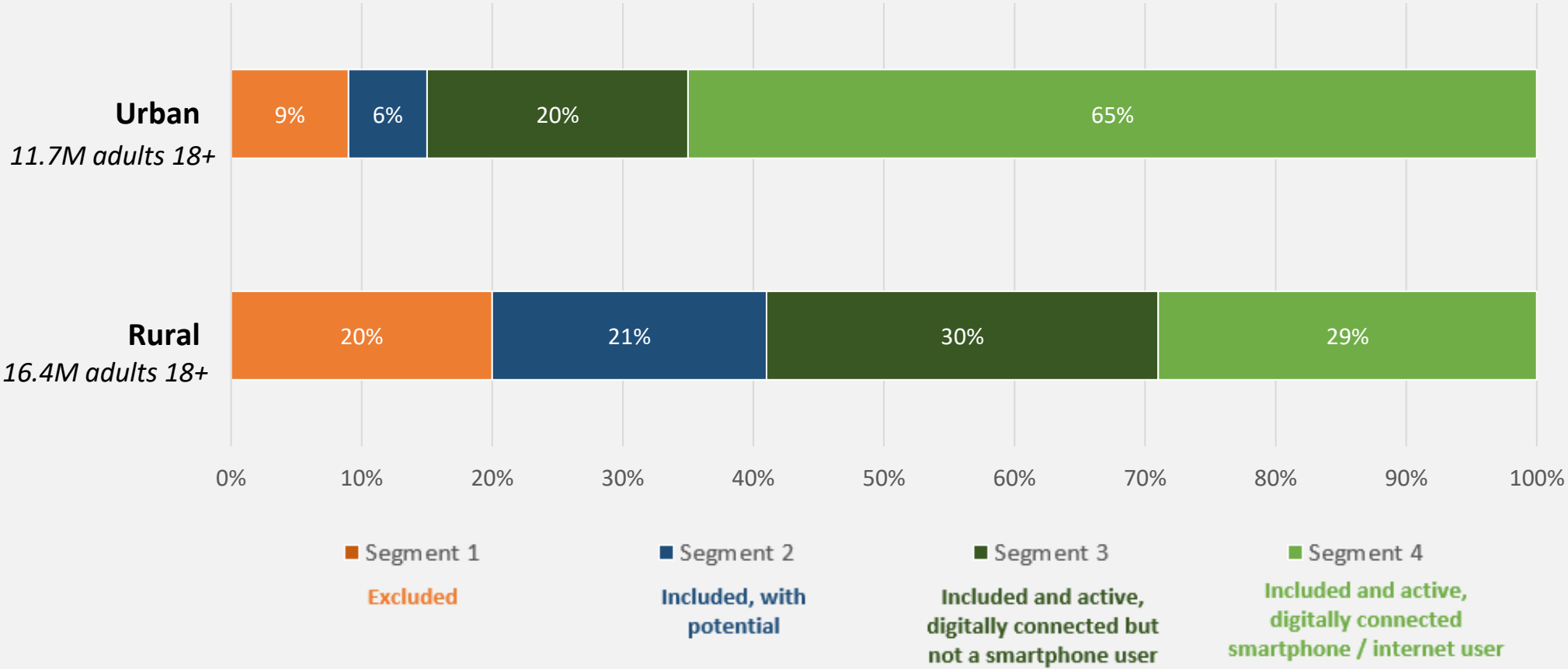
Gender split by segments



Overall: Urban vs Rural

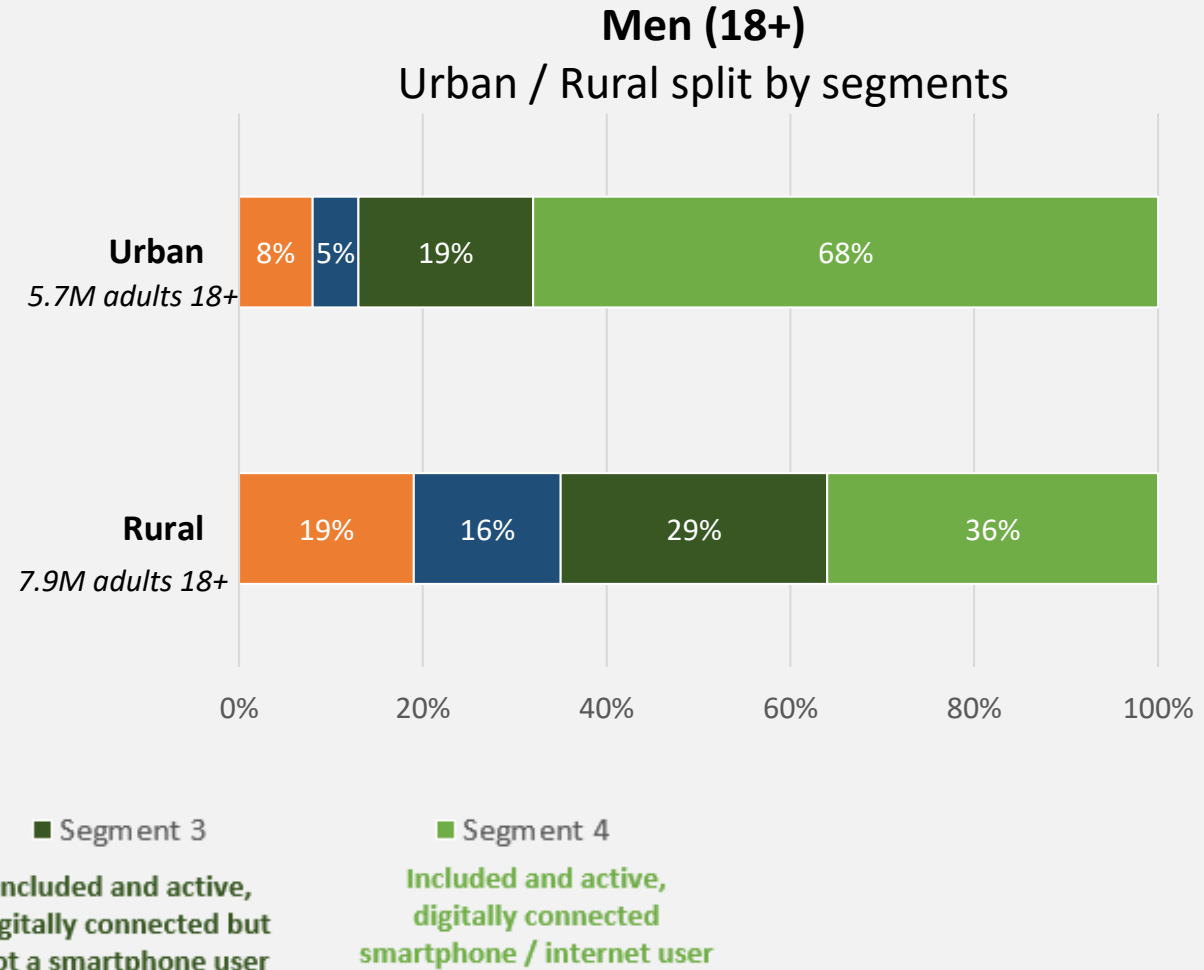
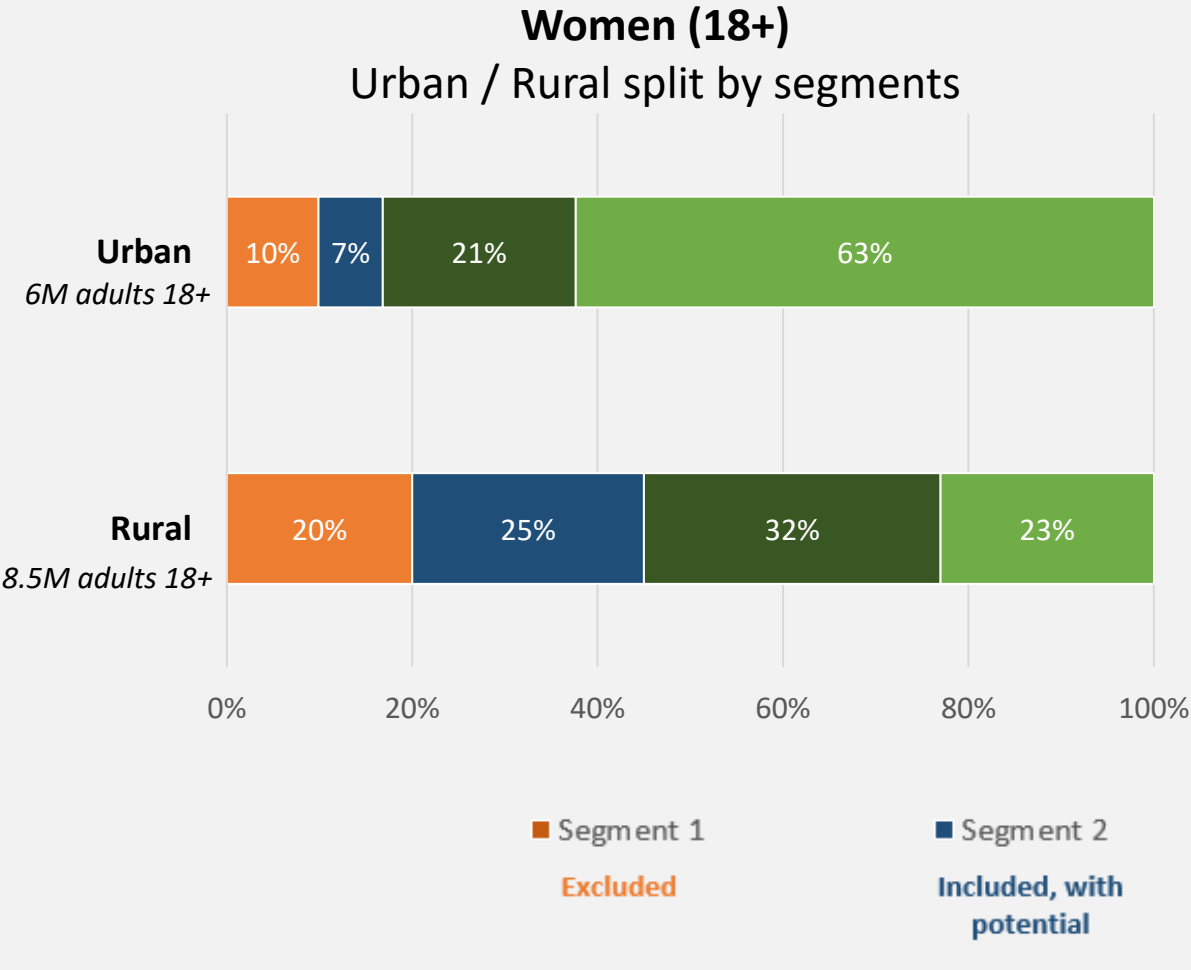
There is a clear digital divide between urban and rural areas; 65% of urban adults fall into Segment 4, compared to less than 30% of rural adults

Total population (16+)
Urban / Rural split by segments



Urban / rural split by Gender

Urban males are the most likely to fall into the most active and digitally connected segment (68% are in segment 4), while rural women are the least likely to fall into this segment (23% are in segment 4)



■ Segment 1
Excluded

■ Segment 2
Included, with potential

■ Segment 3
Included and active, digitally connected but not a smartphone user

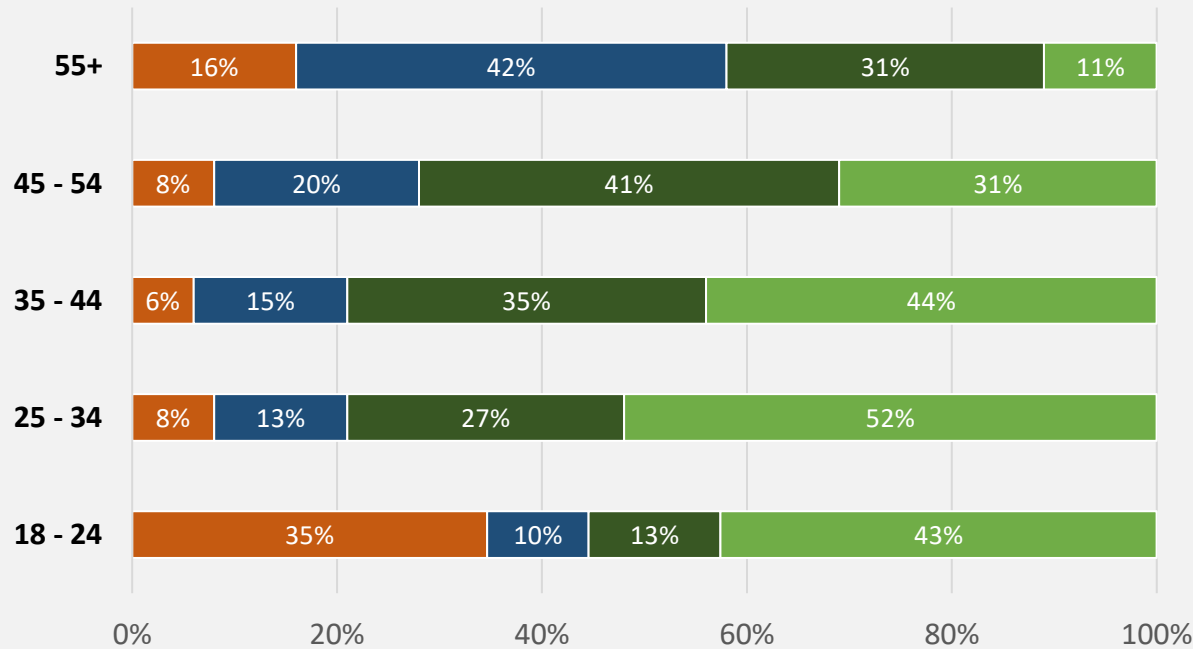
■ Segment 4
Included and active, digitally connected smartphone / internet user

Age split by Gender

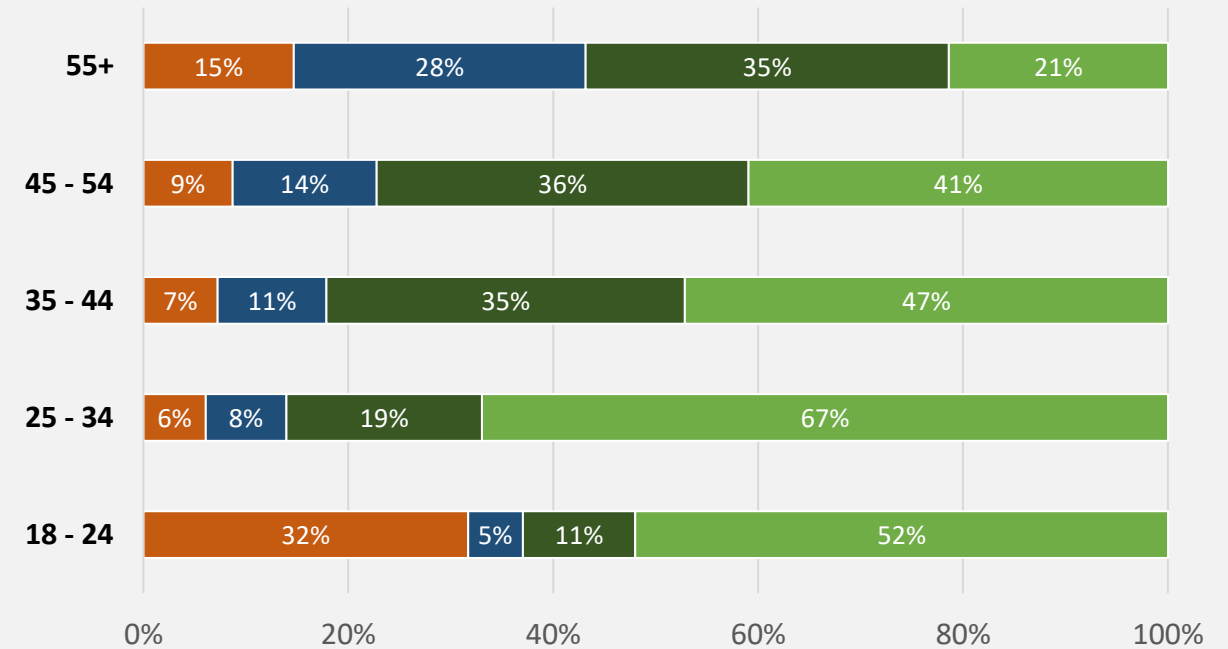
Age is also clearly a very important driver of DFS usage. Around a third of 18-24-year-olds across both genders fall in the excluded segments. However, male youth 'graduate' into the most included, active and digitally connected segment quicker than female youth (67% of males are in segment 4 by 25 – 34 years old compared to 52% of females aged 25 – 34 years old)

AGE GROUPS

Female 18+: 14.5M adults



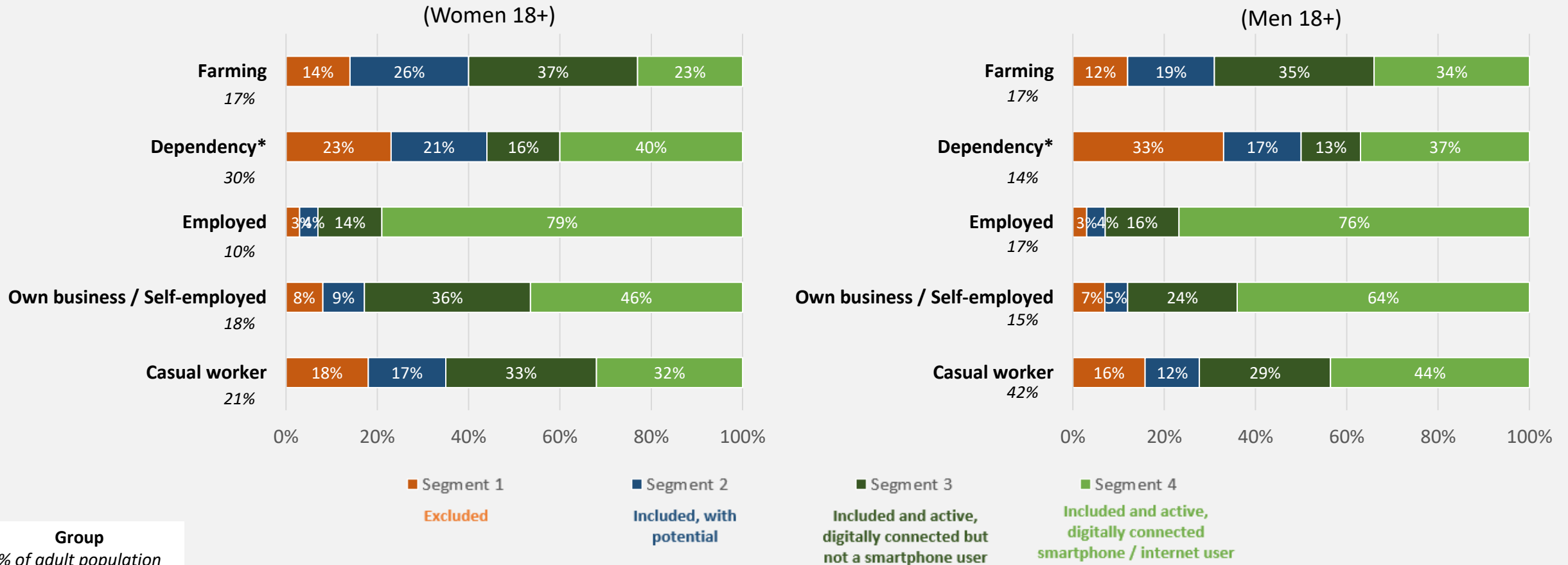
Male 18+: 13.6M adults



Livelihoods split by Gender

Livelihoods also drive DFS usage. For both genders, Dependents are the most likely to be in the excluded segment, with a higher proportion of male dependents in the excluded segment compared to female dependents. Adults who are employed or business owners are the most likely to be in Segment 4

Livelihoods by segments



Source: FinAccess 2024

*Note: 'Other income' includes earning money from investments e.g. shares and stocks; pension/annuity; renting, land, house/rooms, equipment. 'Dependency' includes money / support from family / friends / spouse or money from NGO or government.

ANNEX

Segment definitions: detailed

	Segment 1	Segment 2	Segment 3	Segment 4
	'Excluded'	'Included, with potential'	'Included and active, digitally connected but not a smartphone user'	'Included and active, digitally connected smartphone / internet user'
Description	<ul style="list-style-type: none"> • Does not have a formal account in own name, <p>AND EITHER:</p> <ul style="list-style-type: none"> • Has not used someone else's account for own transactions in past 12 months, and • Has not reported any payments via an account in past 12 months <p>OR</p> <ul style="list-style-type: none"> • Has not used someone else's account for own transactions in past 12 months, and • Has made at least one payment via an account (i.e. non-cash payment) in past 12 months <p>OR:</p> <ul style="list-style-type: none"> • Has reported to use someone else's account in past 12 months 	<ul style="list-style-type: none"> • Has at least one formal account in own name <p>AND EITHER:</p> <ul style="list-style-type: none"> • Has not made any payment via an account in past 12 months <p>OR:</p> <ul style="list-style-type: none"> • Reported frequency of account usage is only every 90 days or less frequently, and • Has made at least one payment via an account in past 12 months <p>OR:</p> <ul style="list-style-type: none"> • Reported frequency of account usage is once a month, and • Reports to have made at least one payment via an account in past 12 months, and • Not a smartphone user 	<ul style="list-style-type: none"> • Has at least one formal account in own name, and • Reported frequency of account usage is weekly (incl. daily), and • Reports to have made at least one payment via an account in past 12 months, and • Not a smartphone user 	<ul style="list-style-type: none"> • Has at least one formal account in own name, and • Reported frequency of account usage is weekly (incl.daily) or monthly, and • Reports to have made at least one payment via an account in past 12 months, and • Smartphone user