finaccess | Central Bank of Kenya

Banking Sub-Sector Report
"Lessons from FinAccess Surveys"

November 2025

ACCESS | USAGE | QUALITY | IMPACT

Table of Content


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Acknowledgement

The successful completion of the 2024 FinAccess Household Banking Sub-Sector Report was made possible through the collaboration and dedication of financial sector regulators and individuals committed to advancing financial inclusion in Kenya. We extend our sincere gratitude to the Kenya National Bureau of Statistics (KNBS), the Central Bank of Kenya (CBK), and Financial Sector Deepening (FSD) Kenya for their leadership, technical expertise, and support in designing and implementing the 2024 FinAccess Household Survey. Their contributions continue to provide reliable data that informs policy and industry development. We acknowledge the invaluable guidance of the Director Bank Supervision (Mr. Matu Mugo) and Director Research (Prof. Robert Mudida) both from CBK, whose vision and support were instrumental in shaping the report. We are also grateful for all the financial sector regulators, safety net providers, industry associations, financial service providers, (FSPs) and development partners for their technical and financial support in ensuring the 2024 FinAccess Household Survey was successfully conducted, subsequently making the preparation of this sub-sector report possible.

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Governor's Message

The 2024 FinAccess Household Survey Banking Subsector Report presents key findings on the state of financial inclusion in Kenya, with a focus on access, usage, quality, and impact within the banking sector. The report, developed jointly by the Central Bank of Kenya (CBK), the Kenya National Bureau of Statistics (KNBS), and FSD Kenya, provides critical insights to guide policy formulation and enhance the role of the banking sector in promoting inclusive growth.

Access to formal banking services has continued to expand, reaching 50.2 percent of the adult population in 2024. This progress reflects the sector's sustained efforts to leverage technology, agency networks, and product innovation to extend financial services across the country. However, disparities persist across gender, age, and geography, underscoring the need for continued initiatives that promote equitable access to financial opportunities.

The findings reveal that while more Kenyans are formally banked, a significant proportion still rely on informal mechanisms for savings, credit, and emergency funding. The banking industry is therefore encouraged to develop more responsive products that address the financial needs of households, farmers, and micro, small, and medium enterprises (MSMEs). Enhancing financial literacy, promoting responsible lending, and strengthening consumer protection remain central to sustaining public trust and ensuring long-term financial health.

Digital financial services continue to transform Kenya's financial landscape, driving efficiency and convenience. The rapid adoption of mobile banking and digital credit underscores the importance of innovation in broadening access. At the same time, it calls for continuous investment in cyber resilience and consumer safeguards to ensure that technological advancements contribute positively to financial stability.

The Central Bank appreciates the collaboration of all stakeholders in the preparation of this report. The insights derived from these findings will continue to inform policy actions aimed at deepening inclusion, supporting sustainable credit growth, and enhancing resilience in the financial system.

The Central Bank remains committed to promoting a stable, inclusive, and efficient financial system that supports Kenya's economic transformation and shared prosperity.

Dr. Kamau Thugge, EGH

Executive Summary

The main objective of FinAccess Surveys is to monitor developments and progress achieved in financial inclusion, for policymakers and industry players to gain a better understanding of the inclusivity and overall dynamics of Kenya's financial ecosystem.

The banking sector comprises of commercial banks and microfinance banks. The Banking sector provides savings, credit, payment services, investment & wealth management and foreign exchange services. Banking services are also provided by digital credit providers, forex bureaus, money remittances companies (MRC), foreign exchange bureaus, Savings and Credit Cooperative Societies (SACCOS), investment banks and development finance institutions. Credit services are supported by credit information sharing institutions, while financial technology (fintech) firms provide information, communication services which support banking services. The banking sector's net assets stood at Ksh.7.6 trillion in 2024, down from Ksh.7.7 trillion in 2023, reflecting a decline in loans and advances. Customer deposits also decreased from Ksh.5.6 trillion in 2023 to Ksh.5.5 trillion in 2024, largely due to competing investment opportunities. Access to formal banking services (commercial banks, MFBs, mobile bank, fuliza/boostika) was 50.2 percent in 2024, driven by branch expansion, agent banking as well as mobile banking. Significant disparities in access to banking services persist, with urban residents, males, and older adults (26-35 years) exhibiting higher access to banking services. In rural areas, women, and young adults (18-25 years) face higher exclusion. These barriers include but not limited to high cost, lack of digital devices, lack of knowledge about existence of bank services, perception that bank are for the rich and large distance to access a bank branch.

Bank usage has increased, with 14.1 million adults relying on bank services, primarily through commercial banks. Usage is higher among men, urban residents, and employed individuals. Mobile banking is increasingly being utilised, particularly for daily transactions, while traditional banking remains essential for structured financial activities which mainly come once a month. Loan uptake has also increased, driven by education, financial literacy and increase in the pertinence of banks in meeting emergency needs. The adoption of savings products is mainly driven by convenience and safety of banking services.

Trust has continued to be the main driver of bank services usage. However, the perception about interest rate changed on bank loans remains elevated. The data also revealed rising debt distress. The increase in debt distress could be attributed to high interest rate on bank loan. The banking charter emphasises transparency and responsible lending practices. Fraud and unresolved complaints were also reported in the banking sector, underscoring the need for improved consumer protection.

The proportion of the financially unhealthy persons among traditional bank users was highest. The reliance on formal banking for emergency funds has decreased, with a shift towards informal solutions. Banks are underutilised in meeting liquidity needs, financial shocks, and future goals, with users preferring alternative solutions. Farmers and MSMEs also rely heavily on non-bank solutions.

Chapter 1: Introduction

1.2 Finaccess Survey Objectives

The main objective of FinAccess Surveys is to monitor developments and progress achieved in financial inclusion, for policy makers and industry players to gain a better understanding of the inclusivity and overall dynamics of Kenya's financial inclusion landscape.

The survey objectives were:

- Tracking trends and progress on financial inclusion.
- Provide data on on barriers to financial inclusion.
- Providing data for academic research on financial inclusion.

1.3 Survey Design and Methodology

1.3.1 Survey Design

The 2024 FinAccess was a cross-sectional Survey that targeted individuals aged 16 years and above residing in conventional households in Kenya. Data analysis, however, was conducted on individuals aged 18 years and above, as national identity cards, which is a key requirement to accessing formal financial services, is only issued to this age group.

1.3.2 Sample Size and Distribution

The Survey sample was designed to provide estimates at national as well as rural and urban areas, and across all the forty-seven (47) counties. The minimum sample size for the survey was computed for each of the Survey domains, resulting in a total sample size of 28,275 households and 1,885 Enumeration Areas (EAs). The sample distribution by counties is detailed in **Annex 4.**

1.3.3 Sample Frame, Selection of Households and Weighting

The sample was drawn from the Kenya Household Master Sample Frame (K-HMSF), which was developed based on the 2019 Kenya Population and Housing Census. The K-HMSF comprises of 10,000 clusters selected using Probability Proportional to Size (PPS) methodology from approximately 128,000 Enumeration Areas (EAs) created during the cartographic mapping of the 2019 Population and Housing Census. The sampling frame is stratified into 92 sampling strata, including urban and rural strata in 45 counties, while Nairobi and Mombasa Counties are entirely urban. For more information kindly refer to the 2024 FinAccess headline report (https://finaccess.knbs.or.ke/reports-and-datasets).

The survey targeted one eligible individual per selected household. Interviewers listed all the usual members of the sampled households, and one individual aged 16 years or older was randomly selected using the Kish Grid. The Kish Grid random number table was integrated into Survey solutions CAPI software, ensuring that respondent selection was automatic, with no manual intervention by the enumerator. The Survey data was not self-weighted due to non-proportional allocation of the sample to the sampling strata. The resulting data was, therefore, weighted and adjusted for non-response to ensure the data was representative at the national and county level.

1.3.4 Survey Response Rates

A total of 28,275 households were selected for the Survey at the national level. Among these, 24,684 households were found to be eligible for interviews at the time of data collection, and 20,871 were successfully interviewed resulting in an overall household response rate of 84.6 percent. The rural households' response rate was 87.6 percent compared to 79.4 percent for the urban.

1.4 Overview of the banking sector

As at December 31, 2024, the Kenyan banking sector comprised of, 38 Commercial Banks, 1 Mortgage Finance Company, 1 Mortgage Refinance Company, 10 Representative Offices of foreign banks, 14 Microfinance Banks (MFBs), 3 Credit Reference Bureaus (CRBs), 26 Money Remittance Providers (MRPs), 8 non-operating bank holding companies, 85 Digital Credit Providers (DCPs) and 81 foreign exchange (forex) bureaus.

The total net assets in the banking sector stood at Ksh.7.6 trillion as of December 31, 2024, a decline of 1.6 percent from December 2023. The number of bank branches increased by 62 from 1511 in 2023 to 1,573 in 2024. A total of 30 counties registered an increase in bank branches while 3 counties registered a decrease of 3 bank branches, while bank branches remained the same in 14 counties. The increase in bank branches is mainly attributed to opening of new branches by some commercial banks in emerging and new economic activities. The delivery of financial services through the agent banking model continued to increase in 2024. During the year, commercial banks and MFBs contracted 89,706 bank agents, compared with 88,208 bank agents in 2023. The number of transactions by bank agents increased by 3.2 percent from Ksh 1,650.9 billion to Ksh 1,703.1 billion.

The number of licensed microfinance banks remained fourteen (14) in 2024. Of which one (1) held community microfinance bank licence, while thirteen (13) held nationwide microfinance bank licences.The microfinance bank size in terms of assets stood at Ksh.57.9 billion in 2024, a decline from Ksh.64.2 billion in 2023. The decline was attributed to the decline in loan uptake as a result of stiff competition from commercial banks and other credit providers.

The quality of assets in the banking sector deteriorated with gross (NPLs) increasing to Ksh.697.3 billion in 2024 from Ksh.651.8 billion in 2023.

Money Remittance Providers (MRPs) play a vital role in facilitating the transfer of funds from the diaspora to families back home, thereby contributing to poverty alleviation. As at December 2024, the CBK had licensed twenty-six (26) MRPs, up from twenty-three (23) in 2023. These MRPs operated seventy-two (72) outlets in 2024, compared to sixty (60) in 2023. Remittance inflows remain a stable source of foreign exchange to the country's economy and amounted to Ksh.440.2 billion in 2024 while outflows amounted to Ksh.91.8 billion.

Chapter 2: Access to banking services

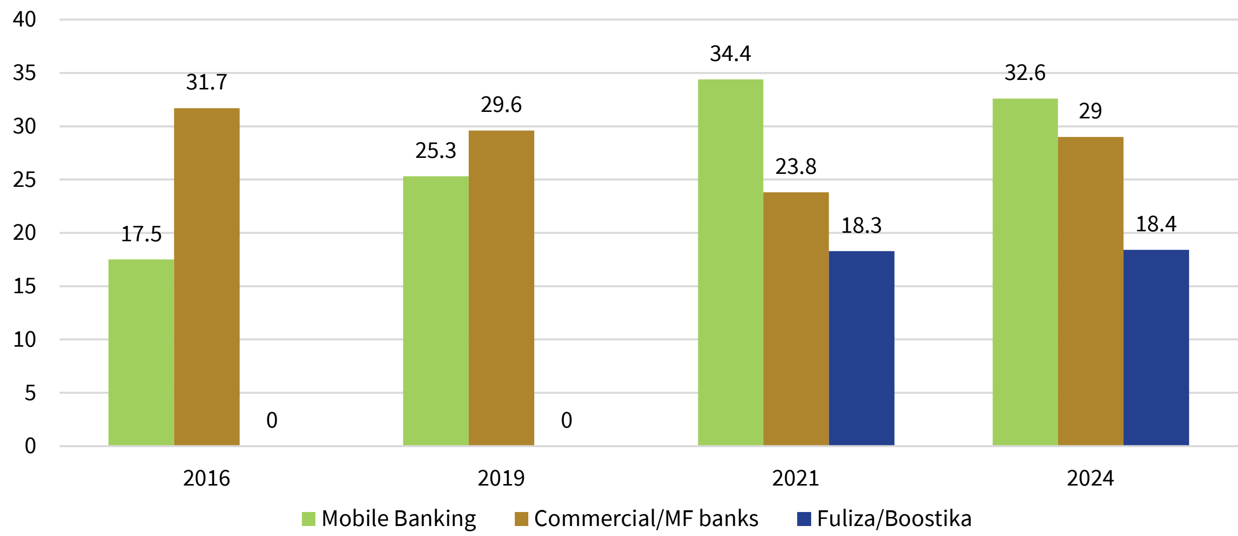
Overall bank use: Combines all users of commercial banks, microfinance banks, mobile based 'overdrafts', i.e, Fuliza and Boostika and mobile bank loans i.e. M-Shwari, KCB M-Pesa, Timiza, HF Whizz, M-Co-op Cash, Eazzy loan as well as saving and investment through bank.

2.1 Level of Access to Banking in Formal Financial Services

Access to banking services increased from 44.1 percent in 2021 to 52.5 percent in 2024, while access to mobile banking services increased from 25.3 percent in 2019 to 32.6 percent in 2024.

According to the 2024 FinAccess Survey, the use of mobile banking platforms to access banking services (32.6 percent) surpassed that of traditional banking channels (29.0 percent), thereby enabling the banks/ MFBs to reach new customers and retain existing clients. Banks/MFBs together with their agents also continue to play a critical role in increasing access to formal financial services in Kenya. The access to banks/MFB services is second to mobile money since 2019.

Figure1: Bank use broken down by different bank types



By adult population, mobile money and banks serves the largest number of consumers, reaching 23.2 million and 14.8 million users, respectively. This dominance reflects mobile money's intermediary role as the primary digital financial service for Kenyans, followed by banks with steady growth. The significant increase in mobile money access can be attributed to the expansion in mobile network coverage, affordable digital devices and digitalisation of financial services, which enhances the convenience and affordability of the services. Similarly, traditional banking usage in 2024 increased to 29 percent from 23.8 percent in 2021. The improvement in the access to traditional bank services between 2023 and 2024 could be attributed to rising confidence in the banking services. Access to digital bank overdraft facilities (Fuliza/Boostika) introduced in 2021 increased marginally from 18.3 percent to 18.4 percent in 2024, an indication that the services supplement other loan products rather than replacing them. Overall, the development in the access to banking services reveal shifts in consumer preferences towards digital solutions, while traditional banking also continue being patronised.

2.2 Access to Banking by demographics

2.2.1 Access to Banking Services by Residence

Disparities in rural-urban, in access to banking services including mobile bank and traditional banking **(Figure 2)** persists. This is mainly on account of higher number of branches and infrastructural developments in urban centres **(Table 1 and Figure 3)** as compared to rural areas.

Figure 2(a): Access to Banking Services by Residence (%)

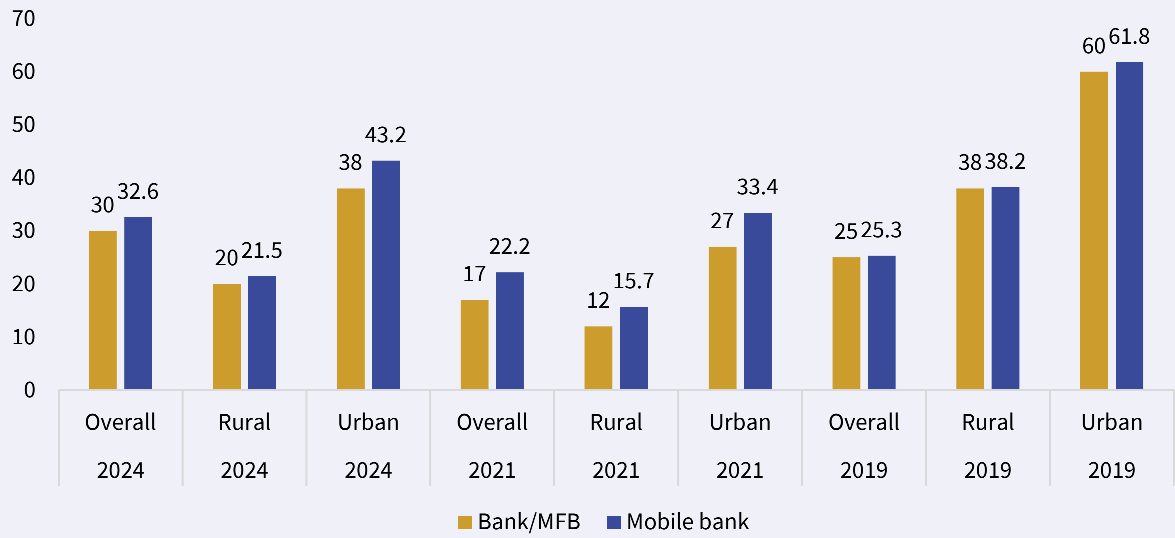


Figure 2(b): Traditional bank Usage by Demographics (%)

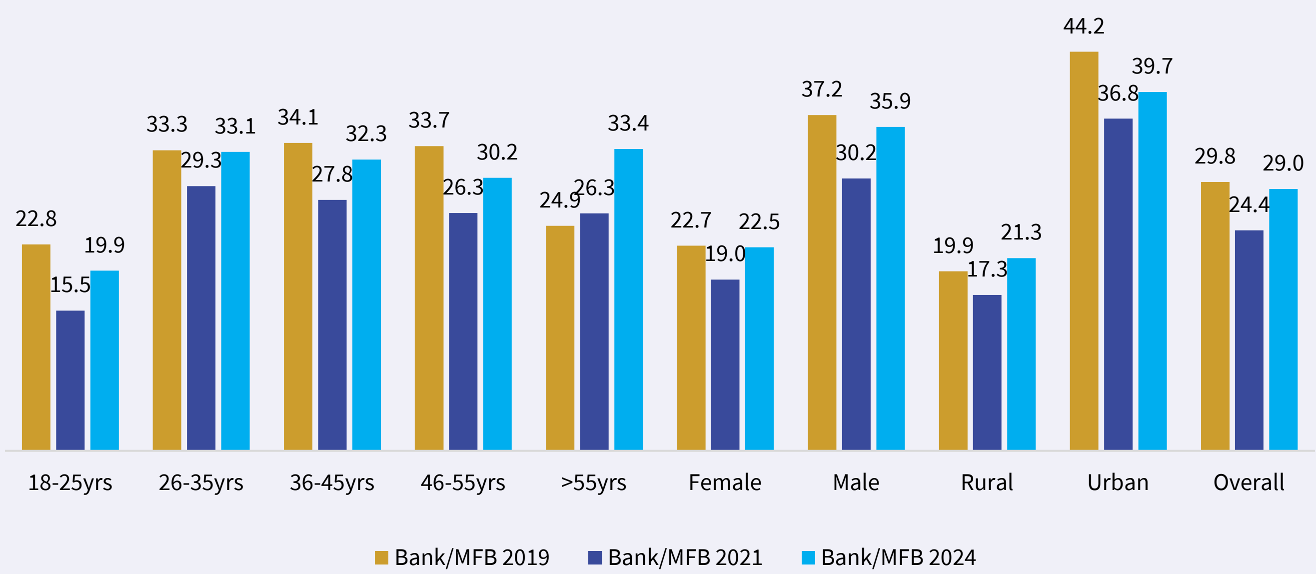


Figure 2(c): Mobile bank use (%)

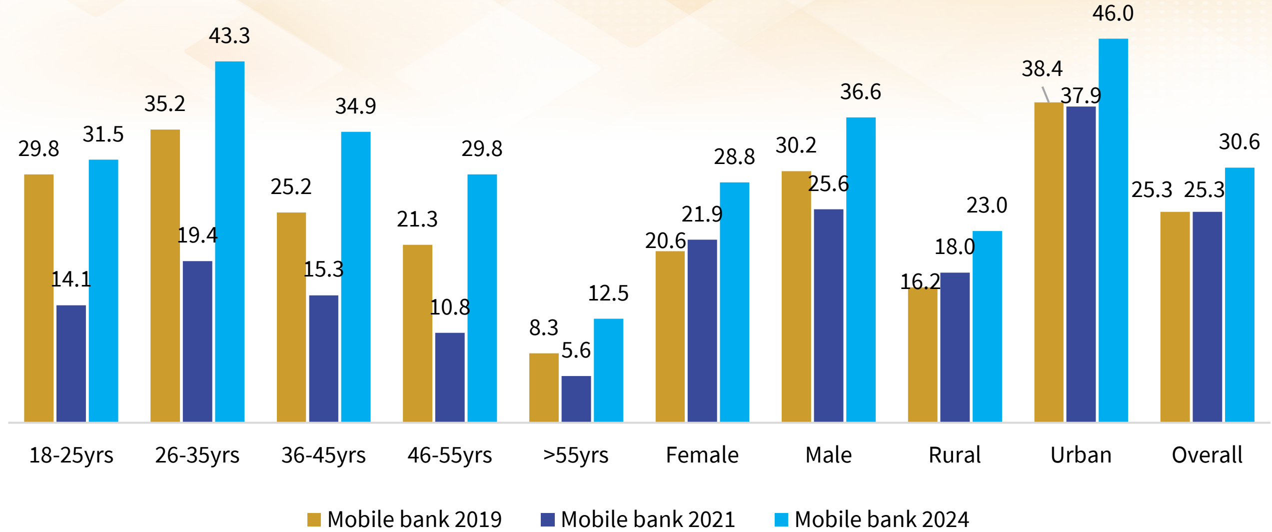


Figure 2(d): Bank use by livelihoods (%)

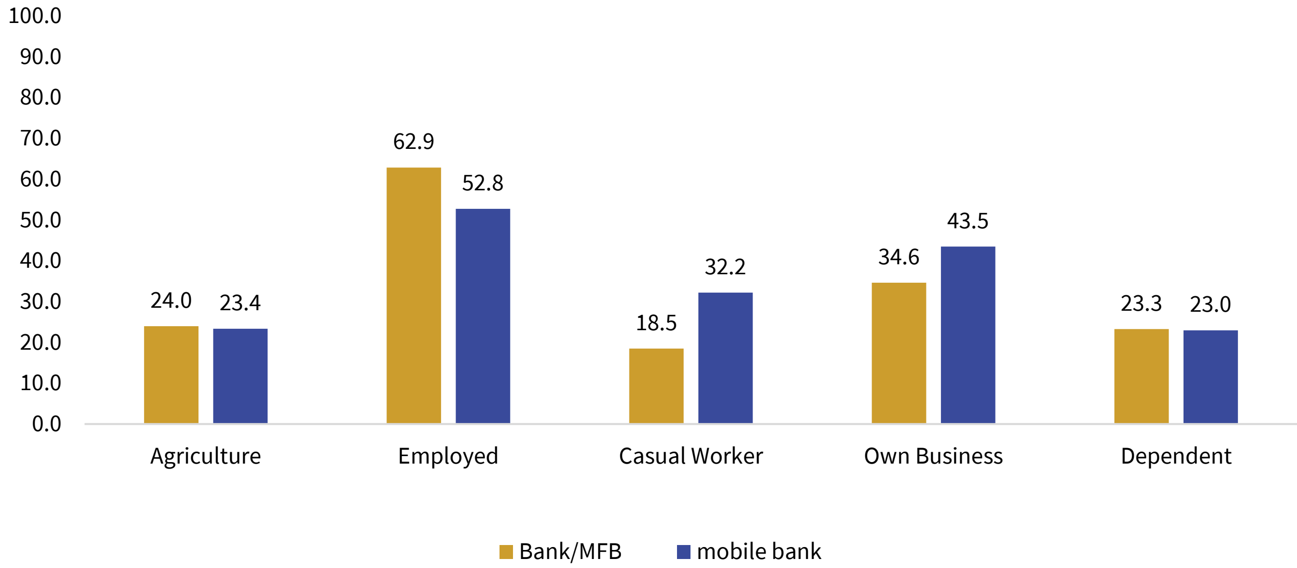
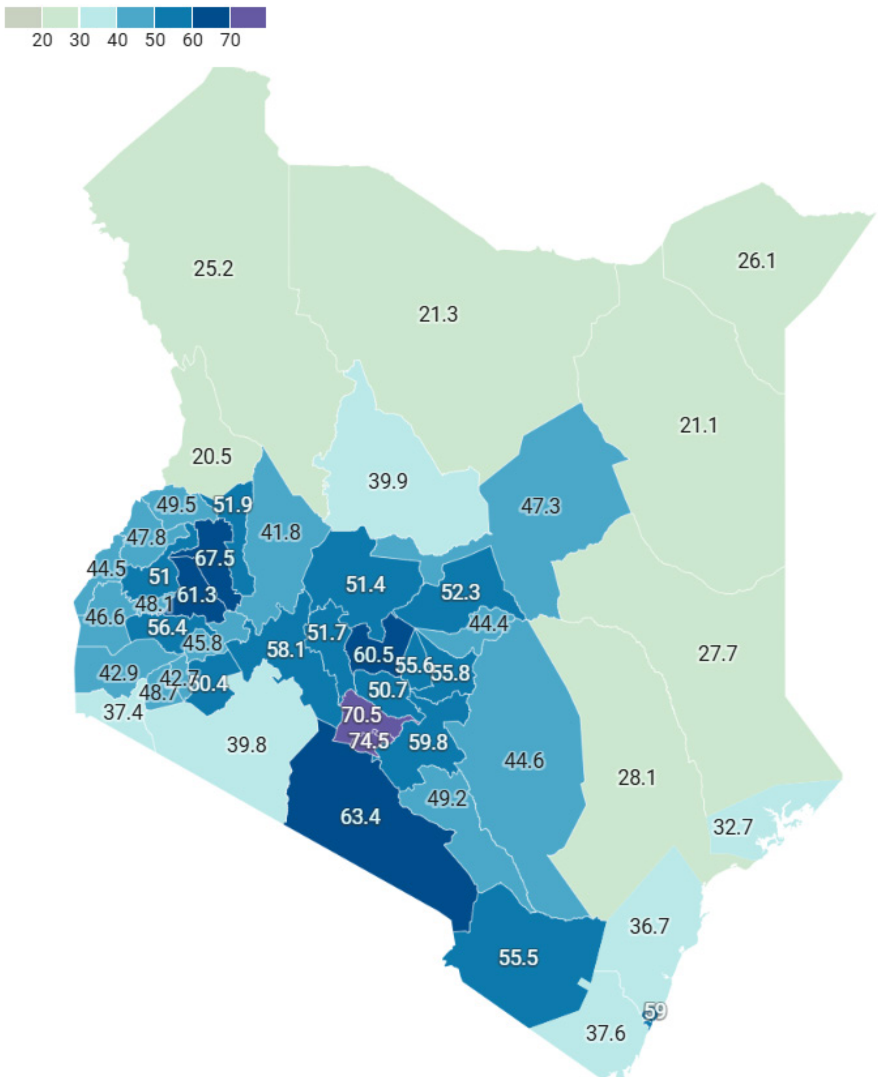


Table 1: Branch Network

County	Dec-23	Dec-24	Increase/ (Decrease)
Nairobi City	588	589	1
Mombasa	111	116	5
Kiambu	80	89	9
Nakuru	62	64	2
Kajiado	46	47	1
Uasin Gishu	44	49	5
Meru	41	44	3
Kisumu	38	40	2
Kilifi	35	35	0
Machakos	31	34	3
Nyeri	33	33	0
Murang'a	23	25	2
Laikipia	21	23	2
Kisii	20	20	0
Bungoma	18	19	1
Kericho	18	19	1
Kirinyaga	18	18	0
Makueni	17	17	0
Trans Nzoia	17	17	0
Kitui	15	16	1
Kitui	15	16	1
Migori	15	16	1
Narok	14	16	2
Busia	12	15	3
Embu	12	14	2
Kwale	12	14	2
Homa Bay	10	12	2
Baringo	10	13	3
Bomet	9	10	1
Nyandarua	9	10	1
Siaya	7	10	3
Taita/Taveta	10	9	-1
Lamu	9	9	0
Tharaka-Nithi	7	9	2
Garissa	8	9	1
Isiolo	9	8	-1
Nyamira	8	7	-1
Marsabit	6	7	1

County	Dec-23	Dec-24	Increase/ (Decrease)
Vihiga	7	7	0
Elgeyo/Marakwet	6	6	0
Turkana	6	6	0
Mandera	4	5	1
Wajir	4	5	1
Nandi	14	14	0
Samburu	4	4	0
Tana River	3	3	0
West Pokot	4	4	0
Total	**1,511**	**1,573**	**62**

Figure 3: Use of Banks/MFBs per County

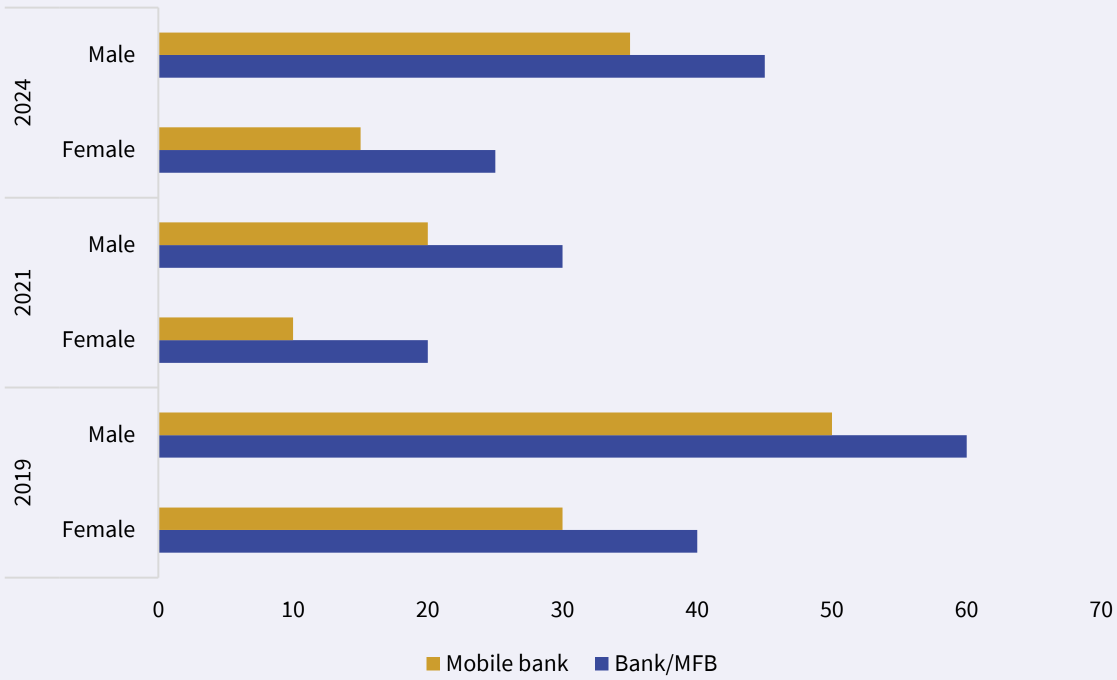


Source: 2024 FinAccess data

2.2.3 Access to banking services by Sex

The proportion of males accessing bank services, including traditional banking and mobile bank increased since 2019 **(Figure 4).** However, the gap has continued to reduce with the lowest gap being 1.6 percent witnessed in 2024 from 4.2 percent in 2021. This indicates that there is need for more policies/ initiatives to be undertaken to close the gap. This includes digital financial literacy programs among women and financial products tailored for women.

Figure 4: Access to banking services by Sex



2.2.4 Access to Banking services by Age

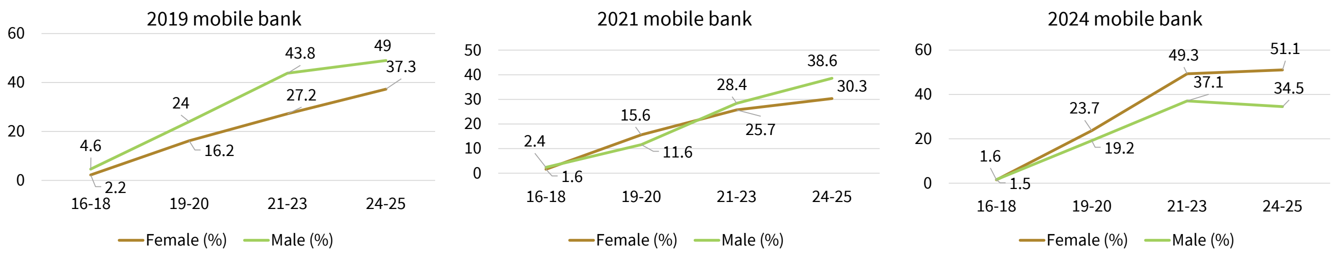
The age of 18-25 lags in access to traditional banking services, while the above 55 age group lags in access to mobile banking **(Figure 6).** Among the youth, this is mainly those who are just getting into adulthood; hence they are yet to have IDs **(Figure 5)** and are yet to get into formal employment **(Figure 6).**

Figure 5: Ownership of identification cards (ID) card by age

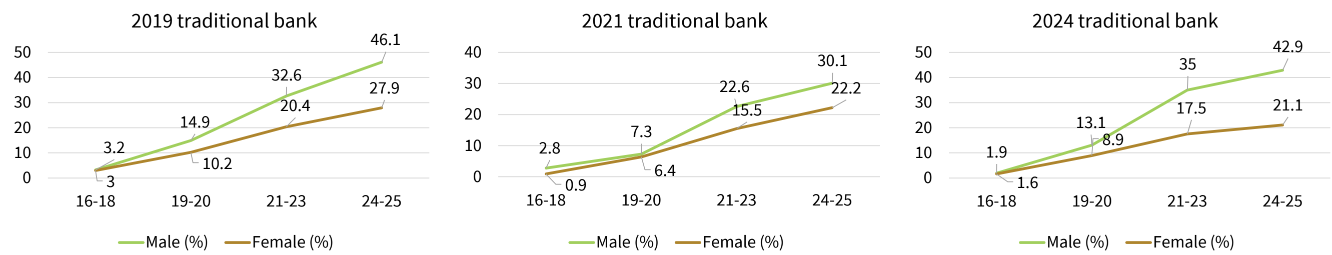
Age	Population	With IDs	Without IDs	with IDs (percent)	without IDs (percent)
18-25 Yrs	7,869,765	5,946,358	1,923,406	75.6	24.4
• 18 Yrs	1,167,840	325,741	842,099	27.9	72.1
• 19 Yrs	930,434	501,441	428,993	53.9	46.1
• 20 Yrs	1,024,828	778,209	246,619	75.9	24.1
• 21 Yrs	942,721	811,564	131,157	86.1	13.9
• 22 Yrs	910,086	778,503	131,583	85.5	14.5
• 23 Yrs	901,514	841,450	60,064	93.3	6.7
• 24 Yrs	1,112,568	1,033,725	78,844	92.9	7.1
• 25 Yrs	879,773	841,938	37,835	95.7	4.3
26-35 Yrs	8,007,561	7,845,748	161,813	98.0	2.0
36-45 Yrs	5,235,668	5,156,398	79,271	98.5	1.5
46-55 Yrs	3,012,526	2,964,750	47,776	98.4	1.6
> 55 Yrs	4,016,548	3,956,959	59,589	98.5	1.5
Total	28,142,068	25,836,426	2,305,643		

Figure 6: Access to banking by the youth

Traditional bank usage 2019-2024

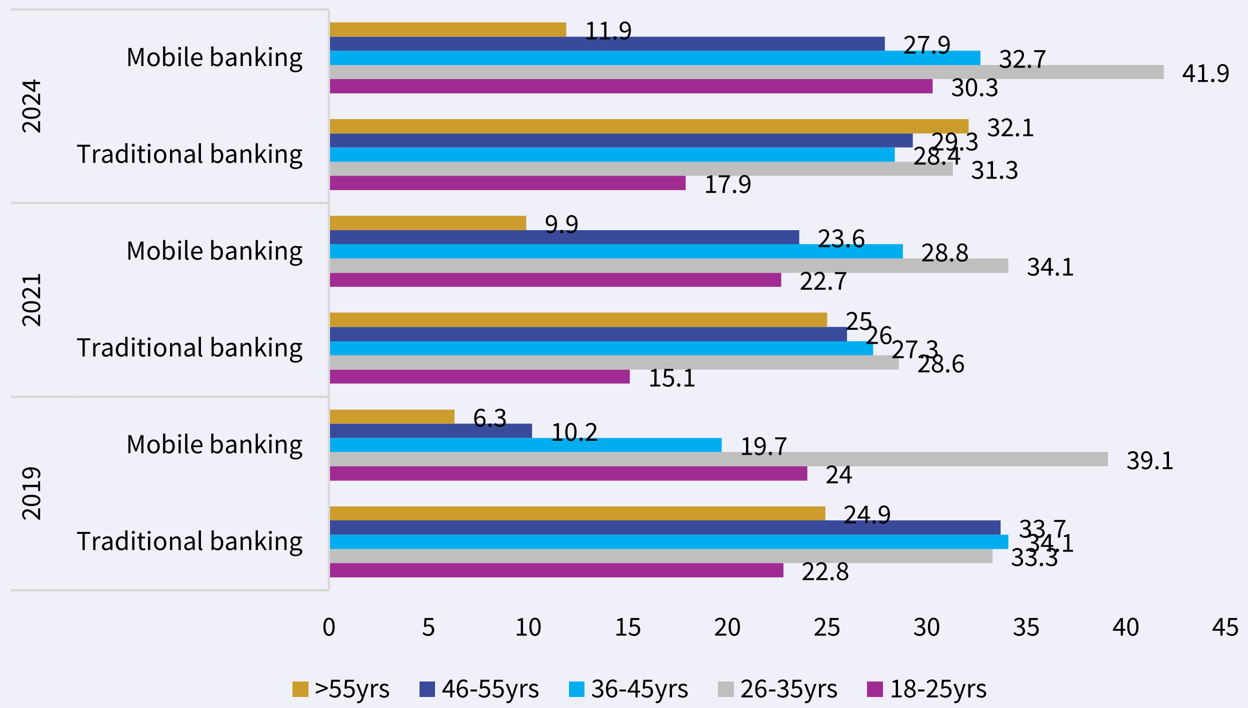


Mobile bank usage 2019-2024



This indicates that there is a need to relook policies that could support that uptake of solutions by reflecting the KYC documents required.

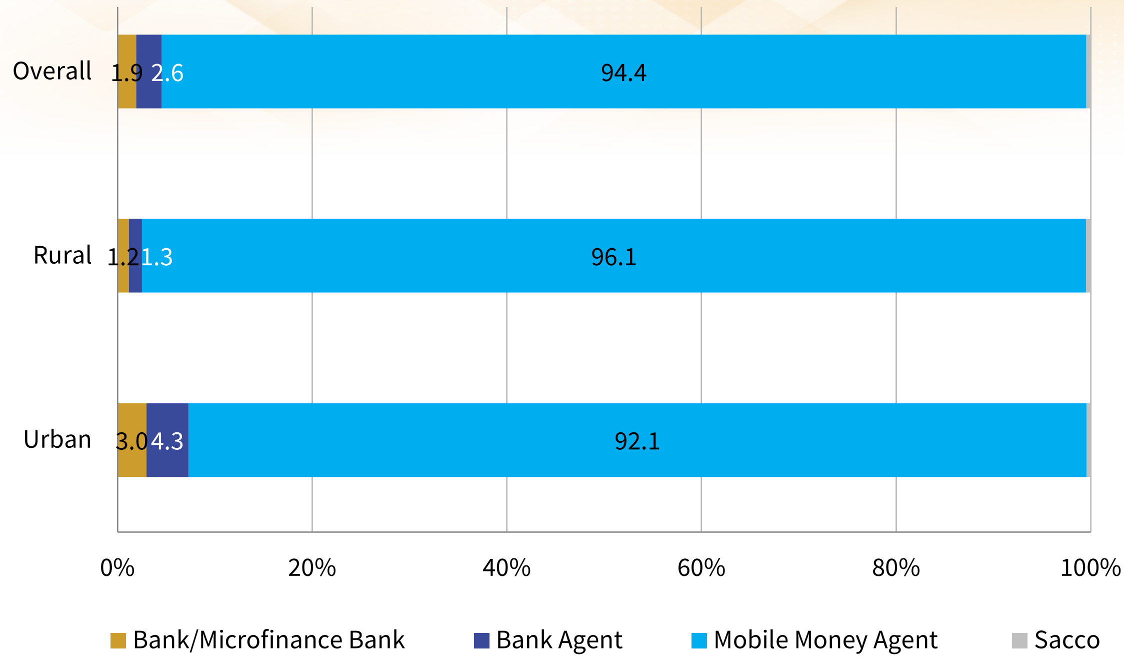
Figure 7: Access to banking by Age



2.2.5 Proximity to Financial Outlets

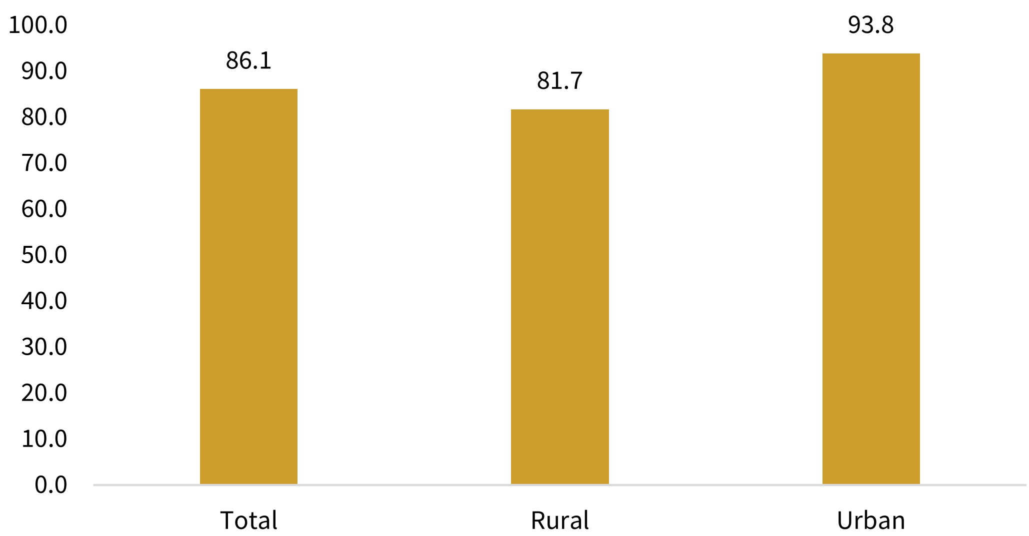
Mobile money agents are the most accessible financial service providers, with 94.4 percent of adults nationally—and even higher in rural areas—reporting them as the closest option. Bank agents (2.6 percent) and traditional banks (brick and mortar) (1.9 percent) follow, with better access in urban areas. SACCOs remain the least accessible at just 0.5 percent. These findings underscore the widespread reach of mobile money services and perhaps the increased use of digital channels, without necessarily needing to visit a branch physically **(Figure 8).**

Figure 8: Nearest Financial Service Provider



2.2.6 Mobile phone penetration

Figure 9: Mobile phone penetration



The survey results indicate disparities in mobile phone penetration between urban and rural areas in Kenya. Urban areas reported a higher penetration rate of 93.8 percent, reflecting wider access to mobile technology and connectivity. In contrast, rural areas lag behind at 81.7 percent, indicating persistent gaps in digital inclusion. These findings highlight the ongoing urban-rural digital divide, emphasizing the need for targeted interventions to enhance mobile access and bridge the connectivity gap among rural communities.

Chapter 3: Banking Usage

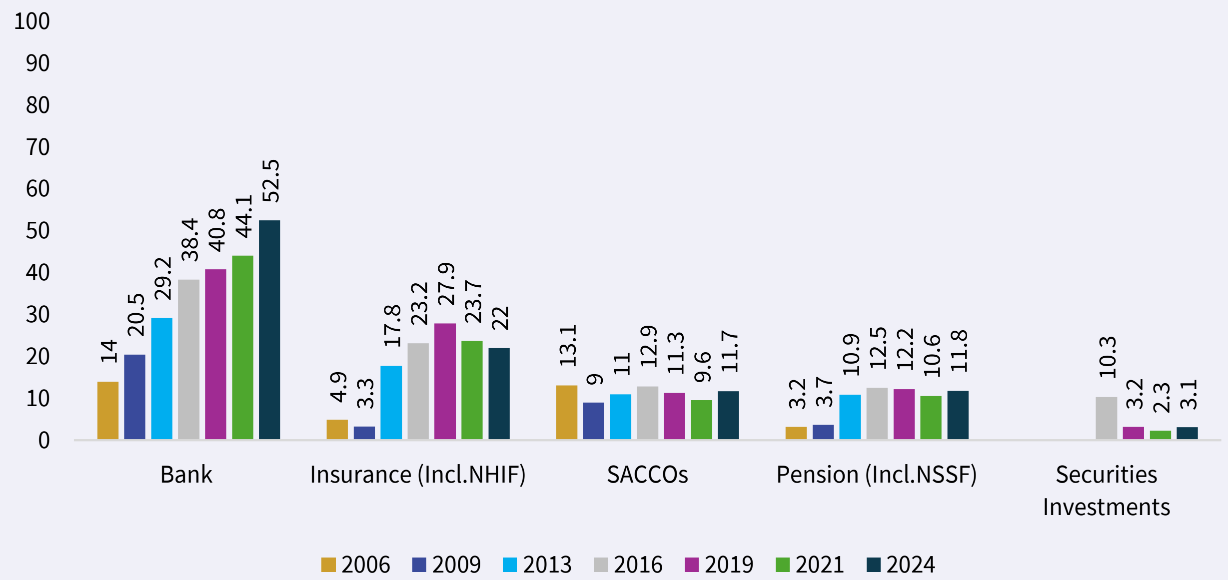
3.1 Bank Accounts Usage

In Kenya, 14.1 million adults rely on banking channels or services to manage their finances, highlighting the critical role banks continue to play in promoting national development. Commercial banks, account for over 98.8 percent of the 14.1 users, while microfinance banks account for 1.2 percent.

Usage of traditional formal financial services grew to 52.5 percent in 2024 from 44.1 percent in 2021 supported by infrastructure growth (resulting from increased financial access touch points) and programs like Inua Jamii.

Banks continued to dominate Kenya's financial sector in 2024, with 52.5 percent of adults using banking services as their primary avenue for savings, credit, and digital transactions. This strong uptake reinforces banks' position as the backbone of financial inclusion, fueled by the expansion of digital and agency banking channels. In contrast, other financial services, insurance, SACCOs, pensions, and securities, still lag behind, playing more complementary or specialized roles that cater to niche or long-term financial needs **(Figure 10).**

Figure 10: Usage of Formal Financial Services (%)



3.2 Usage of Banking Services by Demographics

According to the 2024 FinAccess Survey, men have higher usage of formal financial services compared to women.

The survey found that 34.6 percent of men use banking services, 34.4 percent engage in mobile banking, and 82.4 percent utilise mobile money services. In contrast, women's usage rates are lower across all categories, with 21.7 percent using banking services, 26.9 percent engaging in mobile banking, and 80.4 percent utilising mobile money services. These findings highlight a persistent gender gap in financial service access and usage, particularly in banking and mobile banking.

3.2.1 Usage of banking Services by Age

Figure 11: Traditional banking/MFB (%)

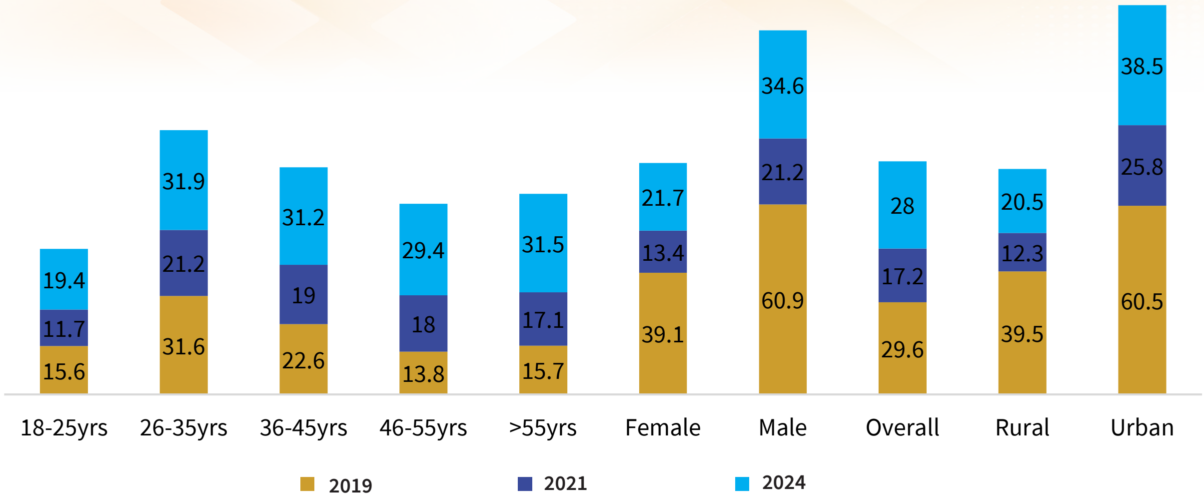
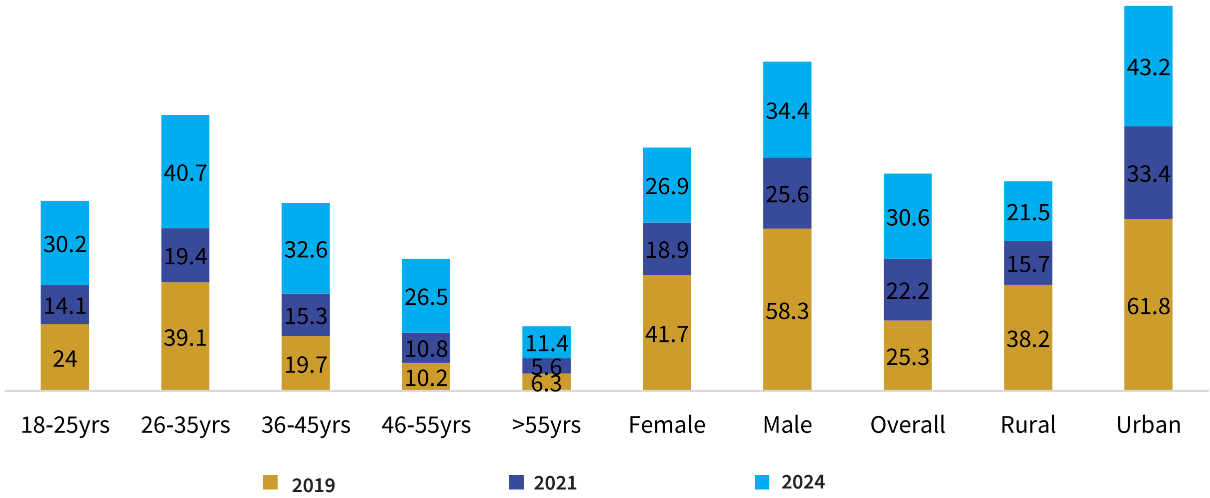


Figure 12: Mobile banking Services



Figures 11 and 12 show mixed but generally positive trends in the usage of banking products (both Mobile bank and Bank/MFB) among different demographic groups since 2019.

For men, usage of mobile banking increased from 30.2% in 2019 to 36.6% in 2024, while Bank/MFB usage slightly declined from 37.2% in 2019 to 30.2% in 2021, then recovered to 35.9% in 2024. This recovery suggests renewed engagement with both digital and traditional banking channels among men.

Among women, mobile banking usage rose steadily from 20.6% in 2019 to 28.8% in 2024, while Bank/MFB usage decreased slightly from 22.7% in 2019 to 19.0% in 2021, before rebounding to 22.5% in 2024. This indicates gradual progress in women's adoption of mobile and formal banking services, though at a slower pace than men.

Across locations, urban areas continue to register higher usage of both mobile banking and Bank/MFB services. Mobile banking in urban areas increased from 38.4% in 2019 to 46.0% in 2024, while Bank/MFB usage improved from 44.2% to 39.7% over the same period, suggesting greater reliance on digital channels in cities. Rural areas also recorded steady growth in mobile banking usage—from 16.2% in 2019 to 23.0% in 2024—and modest improvement in Bank/MFB usage from 19.9% to 21.3%, pointing to expanded outreach and digital inclusion in less accessible regions.

By age group, younger individuals (18–25 years) have relatively low traditional bank usage (19.9% in 2024) compared to mobile banking (31.5% in 2024), reflecting a preference for digital financial services. Young adults (26–35 years) recorded the highest engagement across both mobile banking (43.3%) and Bank/MFB services (33.1%) in 2024, highlighting their growing integration into the formal financial system.

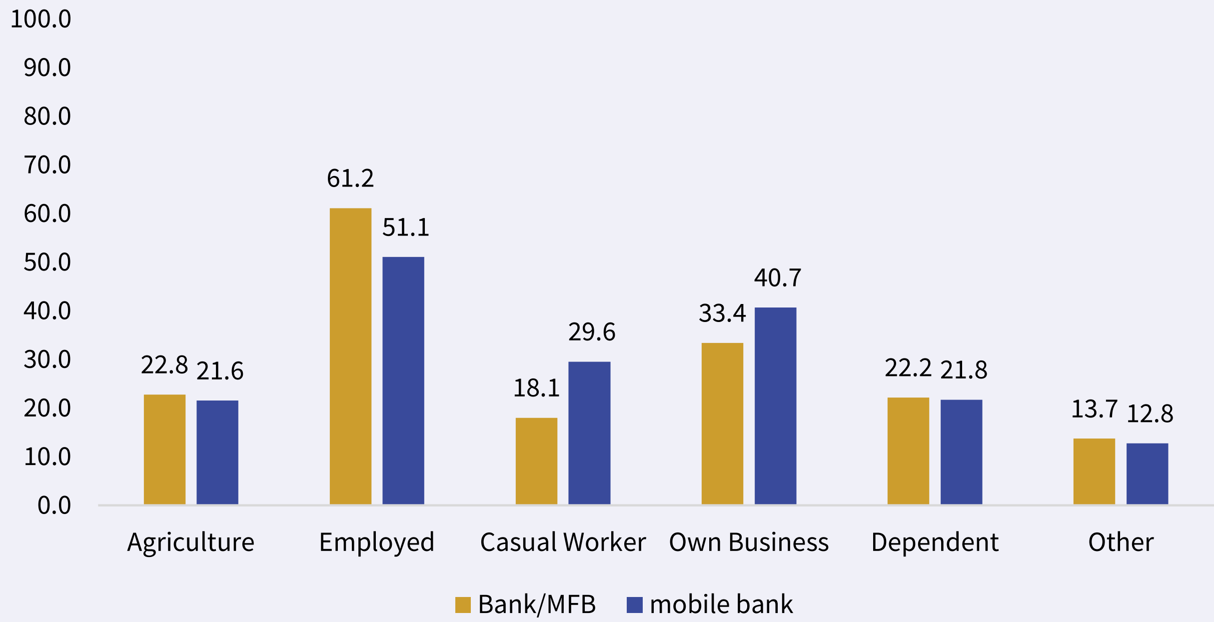
Usage among older adults (55+ years) remains low in mobile banking (12.5% in 2024) but comparatively higher for Bank/MFBs (33.4% in 2024), suggesting continued reliance on traditional banking channels and underscoring the need for targeted digital financial literacy initiatives for this group.

Overall, mobile banking usage increased from 25.3% in 2019 to 30.6% in 2024, while Bank/MFB usage dropped from 29.8% to 29.0%, showing that digital financial services are becoming an increasingly important part of the banking landscape.

3.2.2 Use of Banking Services by Livelihoods

The survey findings highlight widespread adoption of banking services by the employed both for traditional banking services (61.2 percent) and mobile banking (51.1 percent). This shows that employment contributes highest to financial inclusion **(Figure 2.3).** Business owners also show high adoption in banking services (40.7 percent for mobile banking and 33.4 percent for traditional banking services) **(Figure 13).**

Figure 13: Usage of bank/mobile Banking by Livelihood (%)



3.3 Frequency of Use of Banks

The 2024 survey revealed that banks and SACCOs play a crucial role in managing monthly financial activities such as loan repayments, savings contributions, and salary deposits. Monthly bank account usage rose notably from 46.9 percent in 2021 to 58.7 percent in 2024, reflecting deeper integration of banking services into everyday financial routines. The data also indicates a marked rise in daily banking activity, with the proportion of adults using mobile banking services increasing from 5.1 percent to 8.4 percent, while usage of traditional banking services grew from 2.0 percent to 4.8 percent over the same period. The weekly bank account usage rose from 9 percent to 13.1 percent, while weekly mobile banking usage remained stable at 24.5 percent, reflecting versatility of mobile money and bank account for unstructured transaction and structured financial transactions.

Figure 14: Frequency of Financial Services Usage (%)

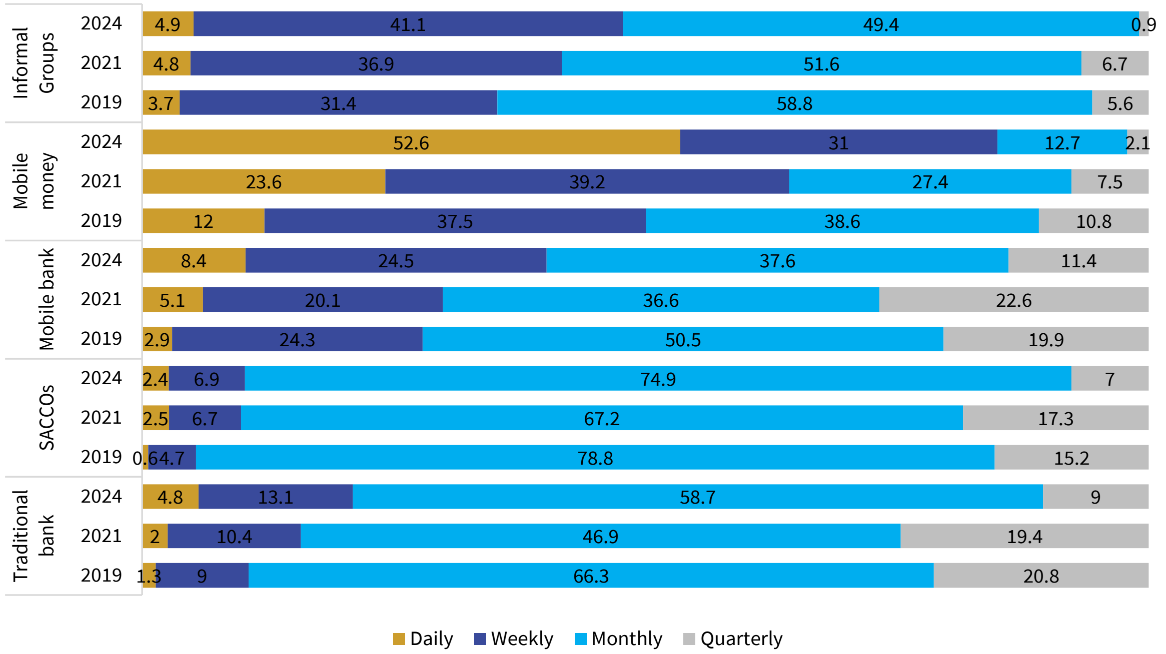
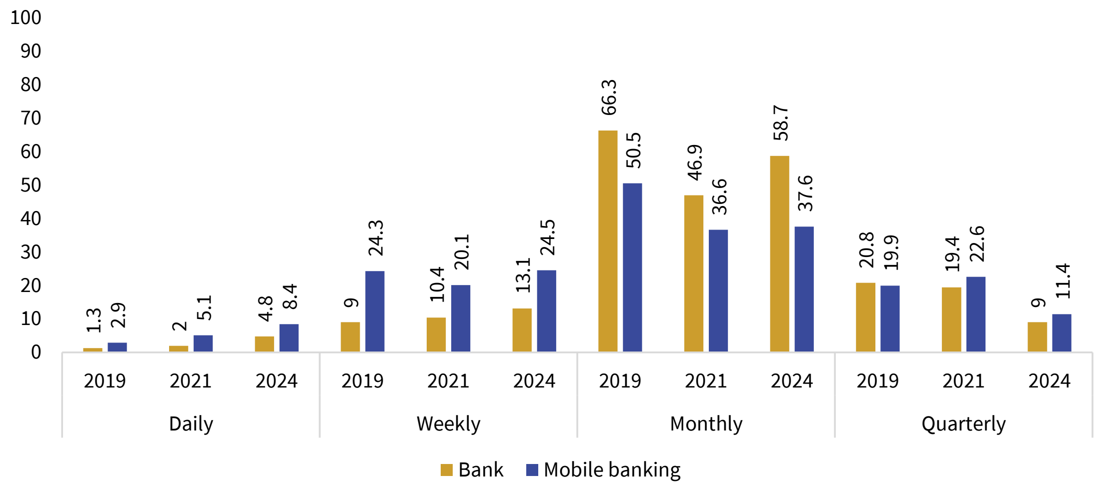


Figure 15: Frequency of use: traditional Banks and Mobile banks (%)



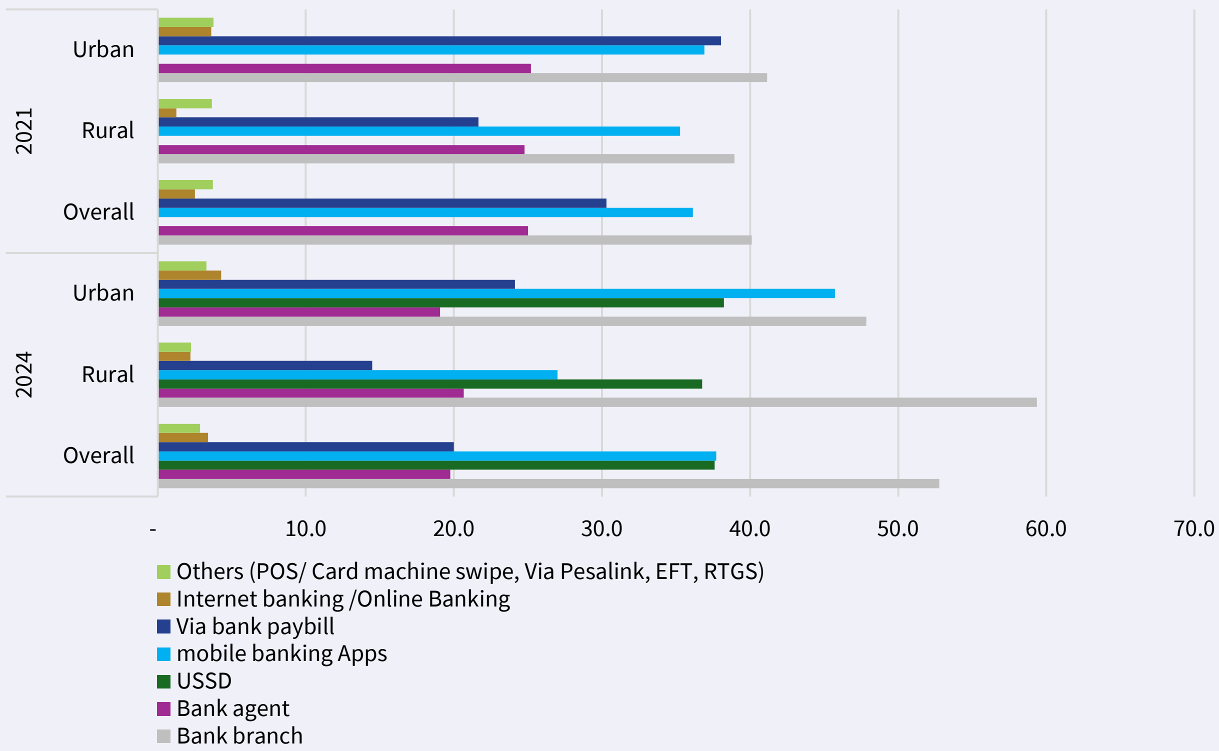
3.4 Channels Used to Access Banks

Bank branches continue to be the most widely used banking services access point, with usage rising from 40.1 percent in 2021 to 52.8 percent in 2024. Rural users rely more on branches, with utilisation increasing from 39 percent to 59.4 percent, reflecting increased engagement with physical banking services. Urban users also saw growth, though at a slower pace, from 41.2 percent to 47.9 percent. Mobile banking apps remain the second-most popular channel, with usage increasing slightly from 36.1 percent in 2021 to 37.7 percent in 2024. Among urban residents, adoption reached 45.7 percent, highlighting a sustained preference for digital financial services.

Despite digital advancements, internet banking adoption remains low, but increased marginally from 2.5 percent in 2021 to 3.4 percent in 2024. This could be due to lower level of digital literacy, trust and confidence, accessibility and personal preferences. The usage of bank pay bill declined , from 38 percent in 2021 to 24.1 percent in 2024, indicating a shift toward alternative digital banking and mobile money methods.

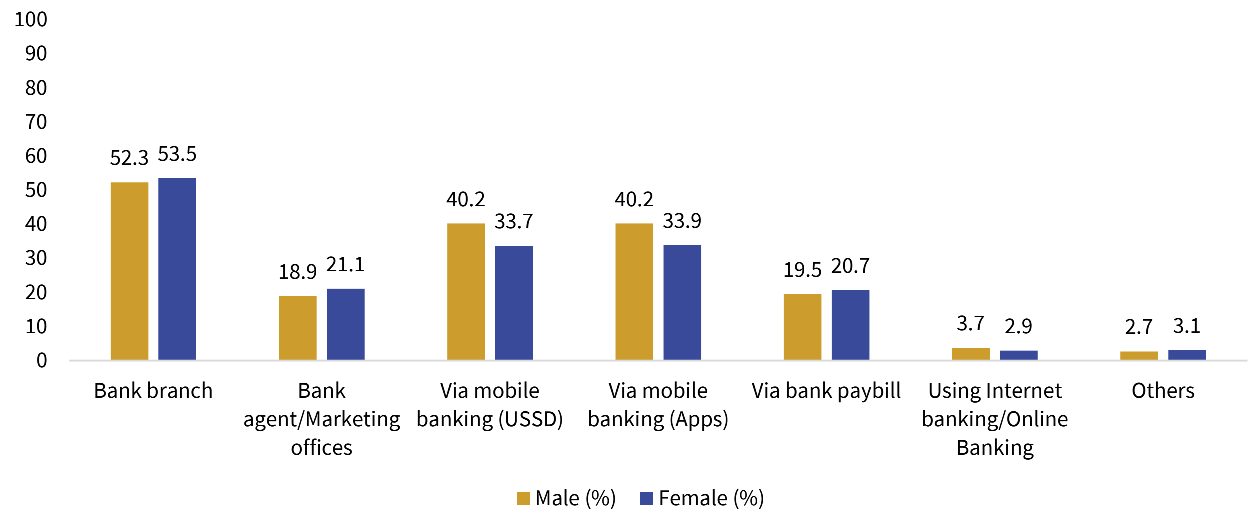
Despite the fact that mobile money is increasing, being used, it has not significantly reduced the use of conventional banking services. This is due to the physical branches supporting digital banking services including mobile banking, mobile banking application based services and preference of some customer to visit bank branch over digital banking services. However, the proportion of customers using internet banking and paybill services is lower due to lower access to digital services **(Figure 16).**

Figure 16: Channels used to access banks (%)



Bank branches remain the most preferred access point for both men and women, though women show a slightly higher preference for physical interactions (53.5 percent against 52.3 percent for men). While mobile banking apps are widely used, but a gender gap persists, with 40.2 percent of banked men using apps compared to 33.9 percent of banked women, reflecting a digital gender divide. Women favour agent-based services (21.1 percent) more than men (18.9 percent), indicating a preference for decentralized channels for accessibility and convenience **(Figure 17).**

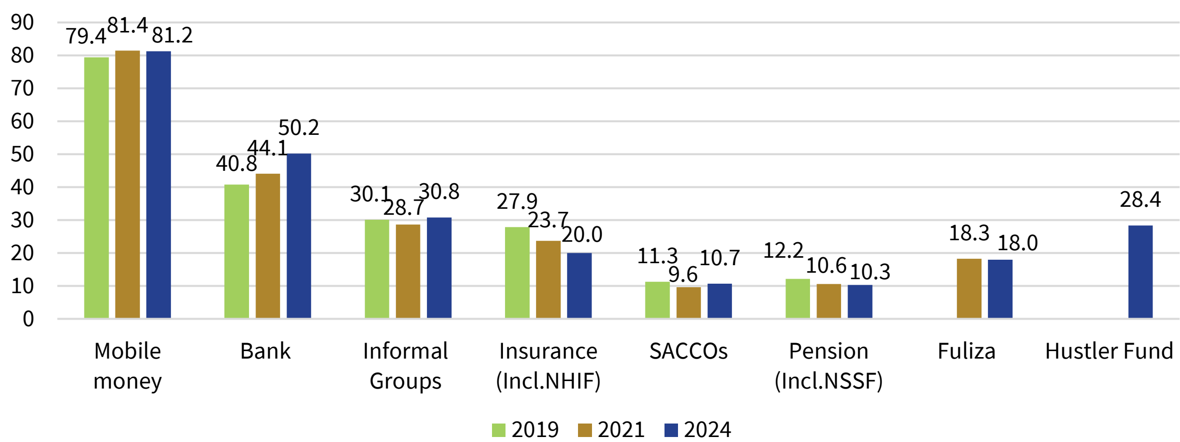
Figure 17: Channels used to access banks by Sex (2025)



3.5 Mobile Money Services

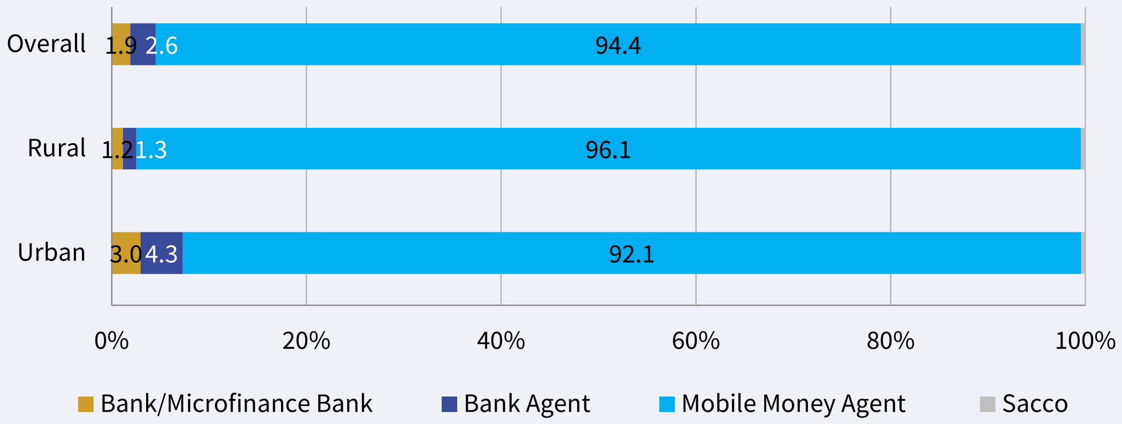
In the advent of mobile money, e-wallets, branchless banking, and agents, the dominance of branch-based bank services has reduced **(Figure 18).**

Figure 18: Access strand bank/MFBs and mobile banking against other formal financial services



The decline in the use of bank services at the branch can be partly attributed to distance. In deed mobile money agent is the nearest financial services provider for 94.4 percent of the respondents. The bank agent is nearer to 2.6 percent of the respondents across Kenya, but bank agent is closer to 4.3 percent of the respondent in urban areas. This implies that, bank agents contribute more to reducing distance barrier in accessing baking services than main branch.

Figure 19: Proximity to Financial Touch Point (%)



Mobile money was used by 82.3 percent in 2024 and 81.4 percent in 2021 of the respondents. Mobile money usage is higher among men and female. In 2024, 83.2 percent of men used mobile money compared to 81.4 percent of women. However, the gender gap has narrowed slightly over time. In 2024, 89.7 percent of urban respondents used mobile money, compared to 77 percent in rural areas. The rural urban disparity in using mobile money declined from 14.1 percentage points in 2021 to 12.7 percentage point in 2024 **(Figure 20).** The implication of this is that whereas mobile money adoption is strong overall, disparities by gender and residence persist, indicating the need for more inclusive access strategies.

Figure 20: Mobile Money uptake by gender and residence (%)

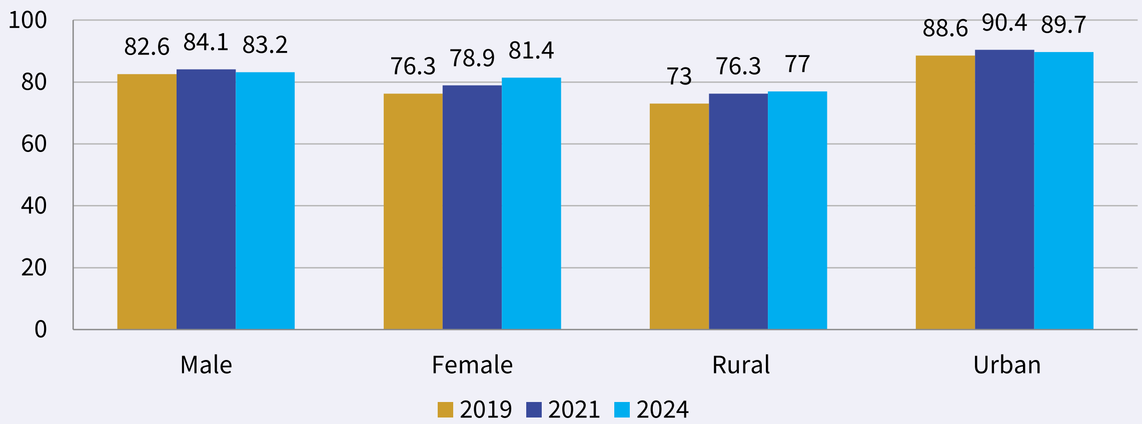
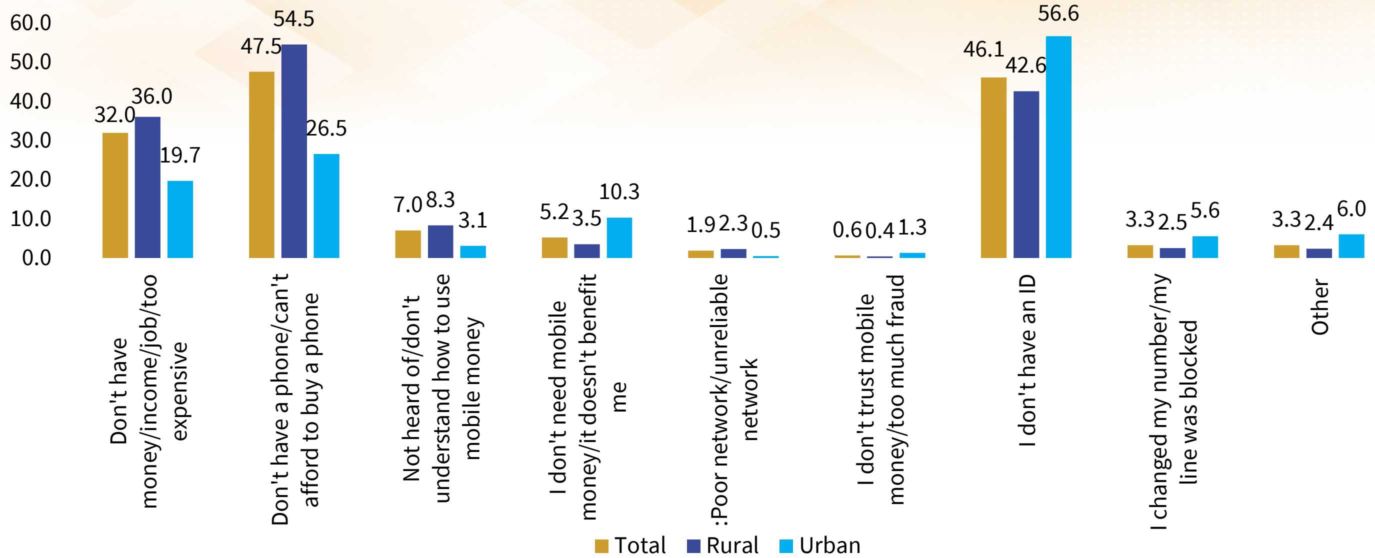


Figure 21: Key barrier to mobile money usage (%)

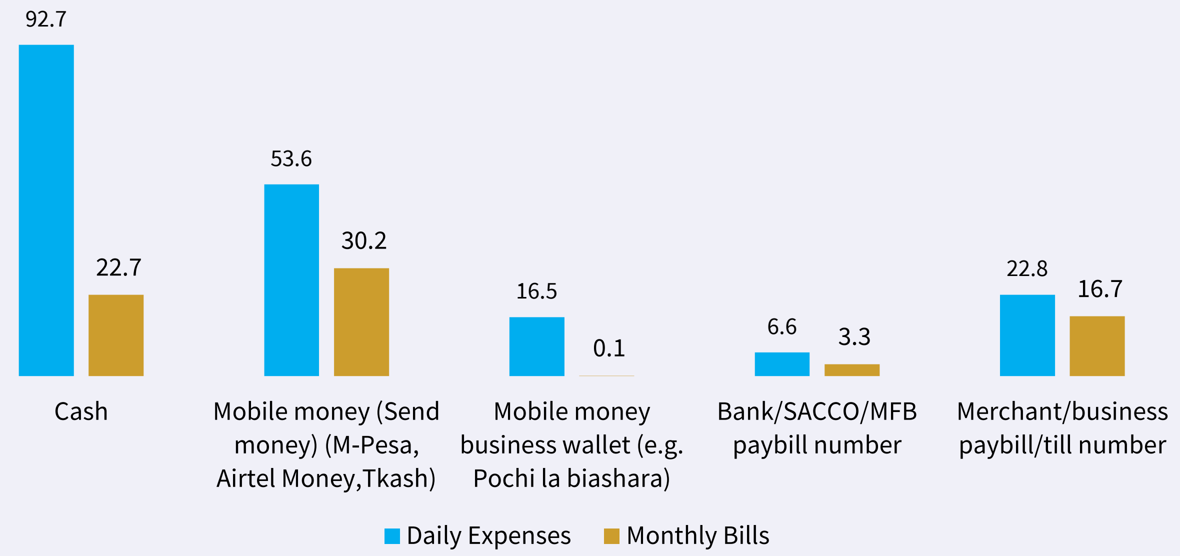


3.6 Payment Systems and Channels

The merchant payments sector has undergone transformation between 2021 and 2024, shifting from cash-based transactions to digital payment solutions. While cash is still widely used, mobile money use has increased. In 2021 cash was most frequently uses to pay for their daily expenses such as food and transport. Cash used to be almost universal at 94.9 percent while mobile money was at 5.1 percent. By 2024, cash usage for these transactions declined to 72.1 percent, while mobile money increased to 27.7 percent. For monthly expenses such as rent, utilities, and school fees, the transformation has been even more striking. In 2021, there was near parity in payment preferences, with 49.0 percent of respondents using mobile money and 49.2 percent using cash. However, in 2024, payment for monthly expenses using mobile money increased to 68.0 percent, while cash declined to 31.7 percent **(Figure 21).**

Nevertheless, cash is predominantly used for both daily and monthly payment. In 2021, about 48.0 percent relied solely on cash, while only 5.3 percent used mobile money alone. By 2024, mobile money-only users increased to 30.7 percent, and cash-only users declined to 27.1 percent. About, 41.8 percent use both cash and mobile money to make daily and monthly payment. Use of a combination of bank payment channels are not used, reflecting the limited relevance of traditional banking for daily merchant transactions **(Figure 22).**

Figure 22: Most frequent method used to make daily expenses and monthly expenses (%)



Not all mobile payments end in mobile wallets. Kenya's robust payment ecosystem, especially tools like tills (e.g. Lipa na M-Pesa Buy Goods) and Paybill numbers have created seamless rails where payments made via mobile can land directly into bank accounts. This means that while mobile money is the dominant channel, the destination of funds also includes the formal banking system. In practice, a customer may pay via M-Pesa, but the merchant receives the funds in their bank highlighting a deeper financial integration.

The adoption and utilization of mobile phone financial services in Kenya increased by 6.9 percent in December 2024, compared to December 2023. This growth was largely driven by a 16.5 percent increase in number of active mobile money agents, which increased from 327,162 in December 2023 to 381,116 in December 2024. In addition, there was an increase in the number of mobile phone devices by about 6.7 million, from 65.4 million in 2023 to 72.1 million as at December 2024. Consequently, the mobile subscriptions increased to 71.4 million in 2024 from 66.8 million in 2023, representing a penetration rate of 138.5 percent. In 2024, the average monthly value of mobile money transactions rose to Ksh.724.8 billion, from Ksh.662.8 billion in 2023 and Ksh.659.1 billion in 2022. Similarly, the average number of monthly transactions increased to 223.5 million, compared to 202 million in 2023 and 190 million in 2022. This sustained growth reflects several key factors: increase in mobile money agent network, mobile phone penetration, and preference for cashless transactions. Notably, the addition of 53,954 new active mobile money agents points to a rapid expansion of last-mile financial access, with entrepreneurs capitalizing on underserved or previously untapped market segments **(Table 6).**

Table 6: Mobile money financial services (%)

	2007	2008	2012	2017	2018	2019	2020	2021	2022	2023	2024
Mobile Subscribers* (millions)	11.3	16.2	30.7	42.8	49.5	54.5	61.4	65.1	65.7	66.8	71.4
Mobile Penetration* (Percent)	30.5	43.6	78	94.3	106.2	114.8	129.1	133.6	133.1	131.9	138.5
Mobile Money Subscriptions* (millions)	1.4	5.1	21.1	30	31.6	28.9	32.5	35.2	38.7	38	42.3
Number of Transactions (Monthly)** (millions)	1.3	10.2	56	139.9	155.8	155	181.4	189.8	207	213.3	309.3
Value of Transactions (Monthly)** (Ksh. Billion)	3.8	27	150.2	332.6	367.8	382.9	605.7	622.1	708.1	788.4	753.5
Avg. Value of Transactions (Daily)** (Ksh. Million)	125.7	899.7	5,005.30	11,087.40	12,259.00	12,764.00	20,189.70	20,738.00	23,602.00	26,278.30	25,115.00
Active Mobile Money Agents** (From 2018)	1,582.00	6,104.00	76,912.00	182,472.00	223,931.00	205,328.00	292,301.00	275,907.00	318,607.00	327,162.00	381,116.00

These shifts toward cashless payment in Kenya mirror a broader structural shift from cash to digital person-to-business (P2B) payments across Sub-Saharan Africa, according to Global Findex 2025. Globally, 42 percent of adults made a digital payment to a business in 2024, compared to 35 percent in 2021. In low- and middle-income countries (excluding China), 24 percent adults made a digital payment to a business. In Sub-Saharan Africa 20 percent adults made a digital payment to a business, despite the region leading the world in mobile money adoption. In Kenya, 55.8 percent, Uganda, (11.7 percent) and Tanzania at (3.9 percent) of adults made a digital payment to a business.

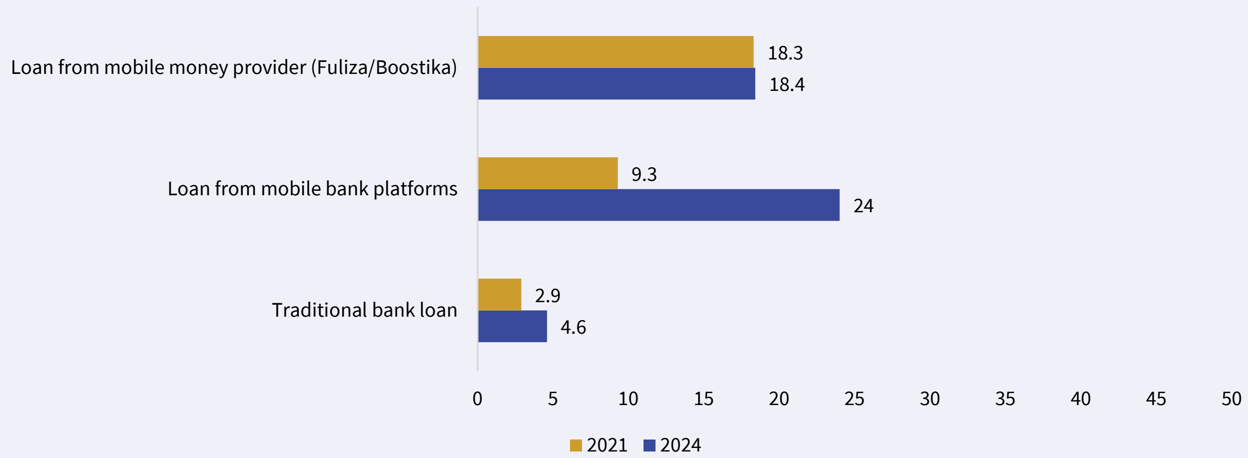
3.7 Overall bank loan uptake

The survey findings indicate that the uptake of banking loan products have increased between 2021 and 2024 **(Figure 23).**

3.7.1 Digital Credit providers

Following the regulation of digital credit providers it has contributed to a marked increase in the usage of microfinance institutions, rising from 1.7 percent in 2021 to 8.8 percent in 2024.

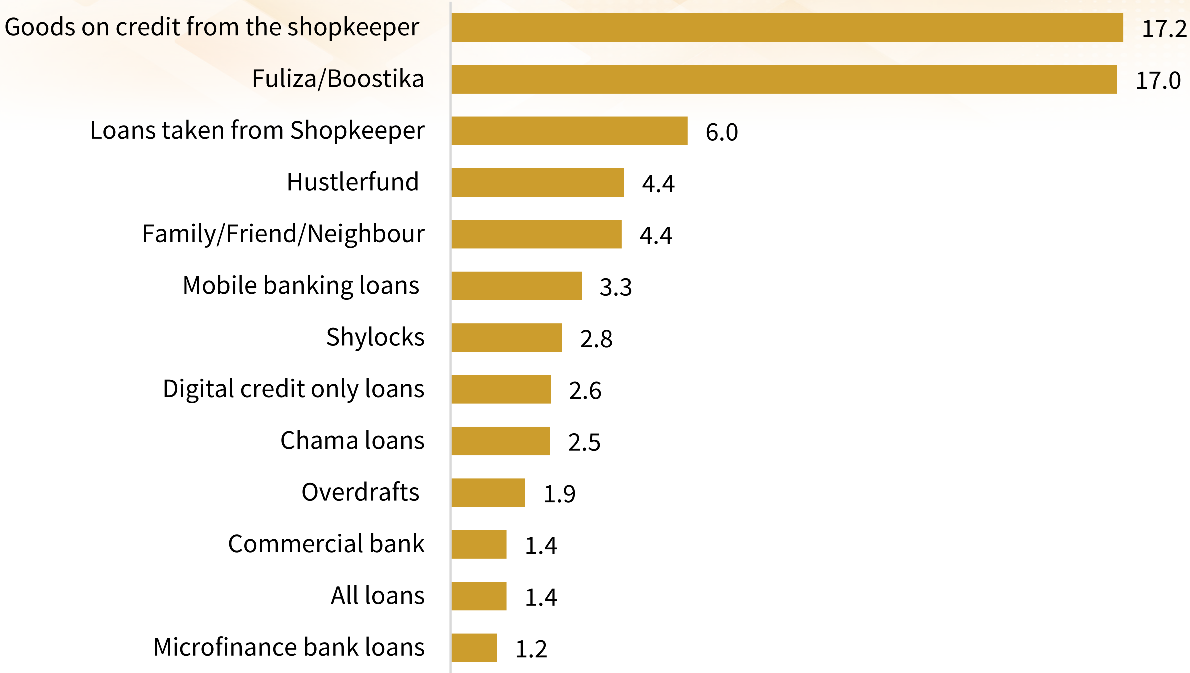
Figure 23: Uptake of credit



3.8 Average number of loans taken in the past 12 months, compared with other loans

The number of loans obtained through traditional channels such as physical commercial banks (1.4) and microfinance banks branch is lower on average than through digital channels. For exchange, average borrower borrowed 17 loans from Fuliza/Boostika, while average loan from commercial bank and MFBs was 1.4 and 1.2, respectively **(Figure 19).** This is due to the reliance of overdraft facilities from digital platforms to meet daily financial needs, convenience and ease. However, the digital bank loan may accentuate debt distress, trapping individuals in a circle of short term borrowing and repaying, which reduces welfare. More importantly, the terms and conditions and amount on short term loans are not conducive to finance investment projects that have a significant impact on income and welfare. As a result, the short term loans accentuate indebtedness and poverty. Nevertheless, the loans are important for providing short-term funds to smoothen and manage cash flow fluctuations.

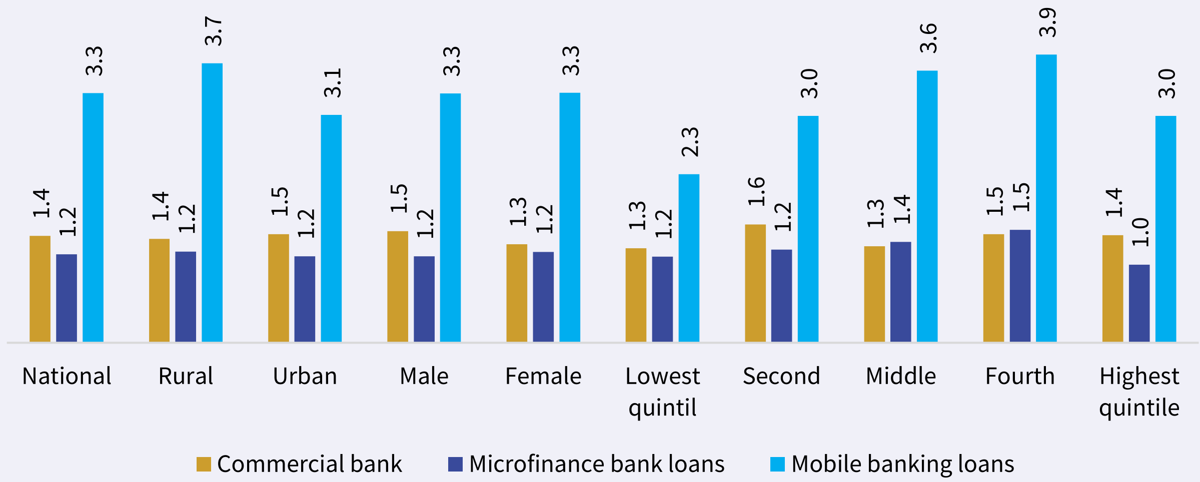
Figure 24: Average number of loans (%)



3.9 Average number of bank loans taken in the past 12 months by demographics

There is consistent borrowing patterns from commercial banks and microfinance banks across demographics, with commercial bank loans ranging between 1.3 and 1.6 loans taken in a year and MFB loans mostly steady at 1.2, except for slight increases among middle and fourth income quintiles. Mobile banking loans, however, exhibit greater variation, with higher usage in rural areas (3.7) compared to urban (3.1), and among the middle (3.6) and fourth (3.9) income quintiles. Women and men show equal mobile banking loan usage (3.3), though men have slightly higher uptake from commercial banks. Notably, the lowest income quintile has the lowest mobile loan usage (2.3), suggesting access or usage gaps among the poorest, while middle-income groups appear to be the most frequent users of mobile banking credit.

Figure 25: Average number of loans taken in a year by demographics (%)

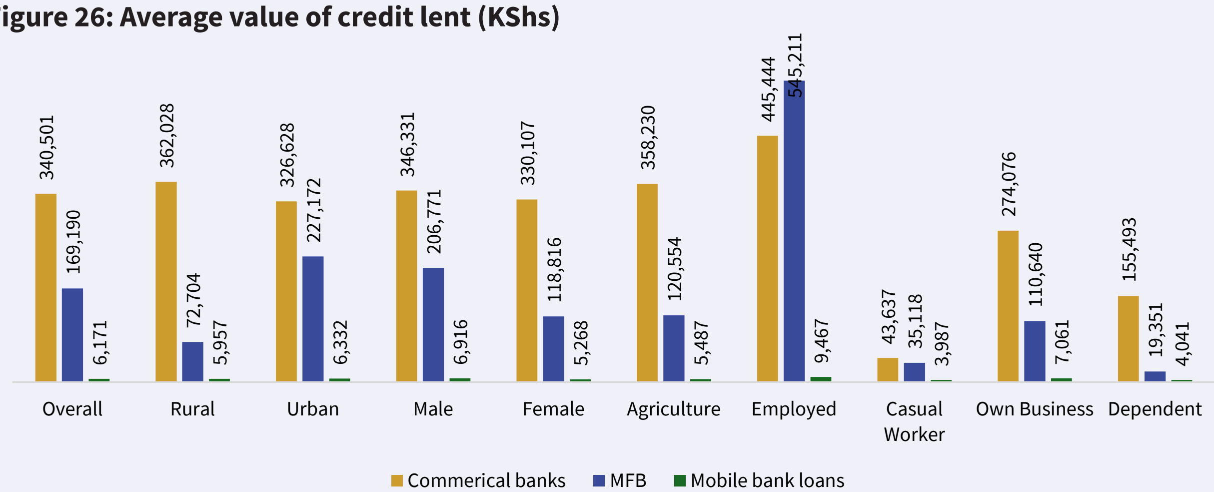


3.10 Average amount borrowed in Kenya Shillings (KShs)

Commercial banks lend significantly larger amounts compared to MFBs and mobile banking platforms. The overall average loan from banks was KSh 340,500.7, compared to KSh 169,190.0 from MFBs and KSh 6,171.2 from mobile banking. Rural borrowers take slightly larger bank loans than urban borrowers, but much lower MFB loans, suggesting limited access or smaller loans. Urban residents have regular income and the interval between payments is shorter compared to rural area. Urban borrowers access higher amounts from MFBs (KSh 227,172.0) compared to rural borrowers (KSh 72,704.0), highlighting urban-focused lending by MFBs.

Gender differences show males borrow more across all channels, especially from MFBs (KSh 206,771.2 vs. KSh 118,816.2 for females). Among the sources of livelihood, the employed group borrows the most across all channels, especially from MFBs (KSh 545,210.7), suggesting formal employment enhances access to higher-value credit. In contrast, casual workers, dependents, and those in agriculture borrow significantly lower amounts, particularly from MFBs and mobile channels, reflecting both lower credit access and possibly higher perceived risk from lenders.

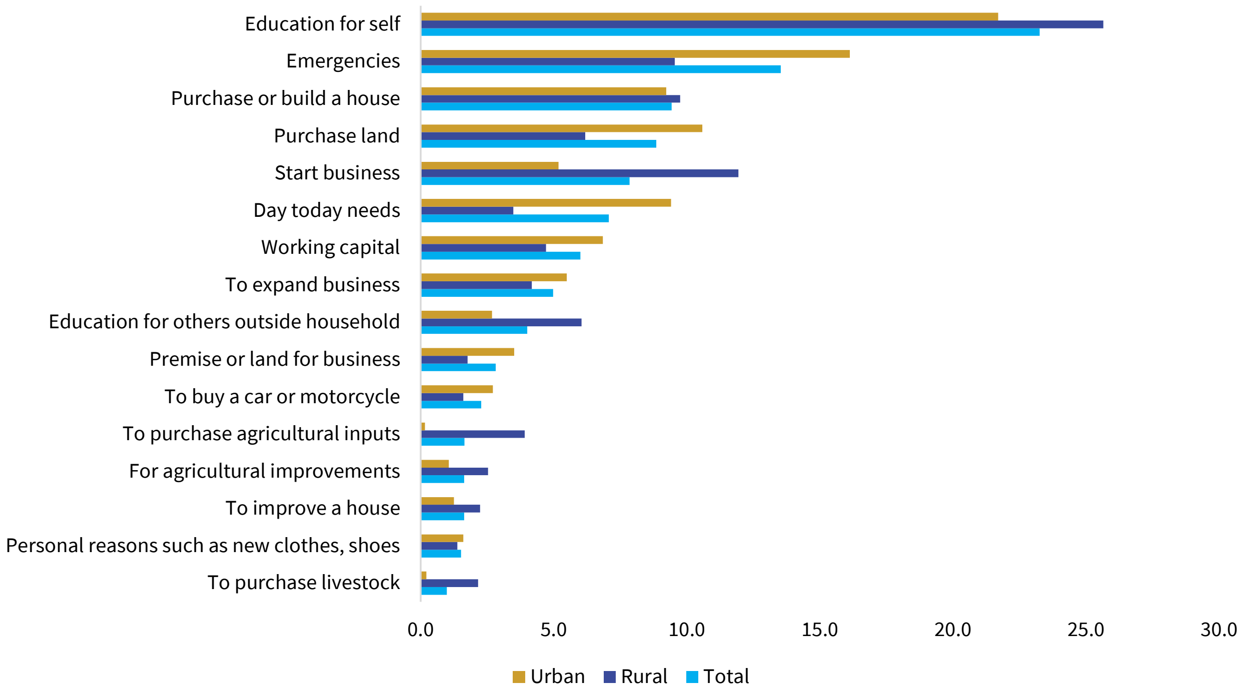
Figure 26: Average value of credit lent (KShs)



3.11 Reasons for taking loans

The survey findings indicate that the reasons for taking loans in 2024 was mainly for education across urban and rural areas. In addition, bank loans were used to meet emergencies. In rural areas, bank loan we taken to start a business **(Figure 27).**

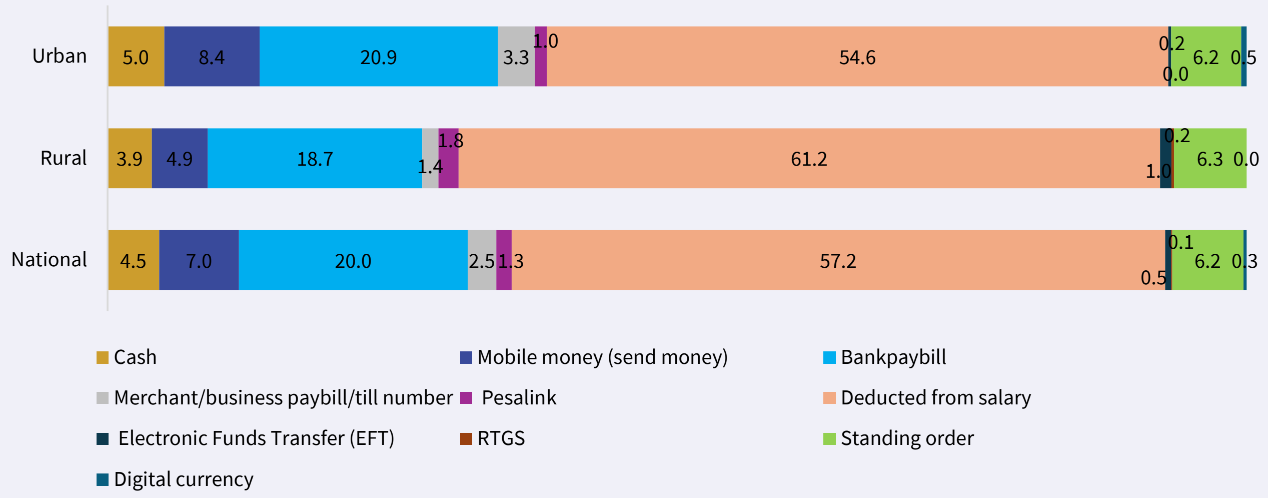
Figure 27: Reasons for taking traditional bank loans (%)



3.12 Channels use for repaying commercial bank loans: rural vs urban

The data reveals that salary deductions are by far the most common mode of loan repayment nationally (57.2 percent), with slightly higher usage in rural areas (61.2 percent) than urban (54.6 percent). Bank paybill is the second most popular method (20.0 percent nationally), and used more prevalently in urban areas (20.9 percent) than rural (18.7 percent). Mobile money transfer is used by 7.0 percent nationally, with significantly higher use in urban areas (8.4 percent) compared to rural (4.9 percent) (Figure 23). Cash repayments are more common in rural areas (3.9) than other digital channels but still lower than urban areas (5.0), reflecting differences in digital access, habits and capacity to use digital channel to make payments. Merchant paybill/till numbers, Pesalink, EFT, RTGS, and digital currencies were used by a a few respondents, with more urban users using the channels. Overall, the results indicate that rural residents prefer formal and automated repayment methods due to formal employment-linked borrowing and convenience.

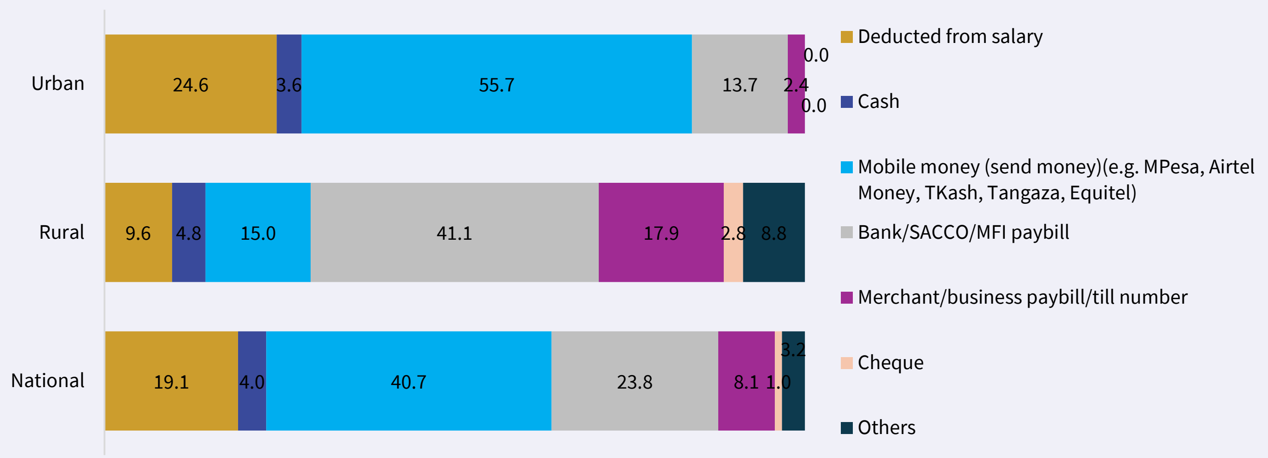
Figure 28: Channel used to repay commercial loans: Urban/rural



3.13 Channels used for repaying MFB bank loans: rural vs urban

The survey shows that mobile money is the most common repayment channel for MFB loans nationally (40.7 percent), especially dominant in urban areas (55.7 percent), but much lower in rural areas (15.0 percent). In contrast, MFB paybills are more widely used in rural areas (41.1 percent) than urban (13.7 percent), suggesting different preferences or access levels by location. Salary deductions are also notable, particularly in urban areas (24.6 percent) compared to just 9.6 percent in rural settings **(Figure 29).** Cash and merchant paybill/till numbers are more commonly used in rural areas, while cheques are used by a larger proportion of urban residents than rural residents. This implies that urban residents are more capable convenient and affordable to use digital and mobile repayment channels, while rural borrowers rely more on traditional or institution-based methods.

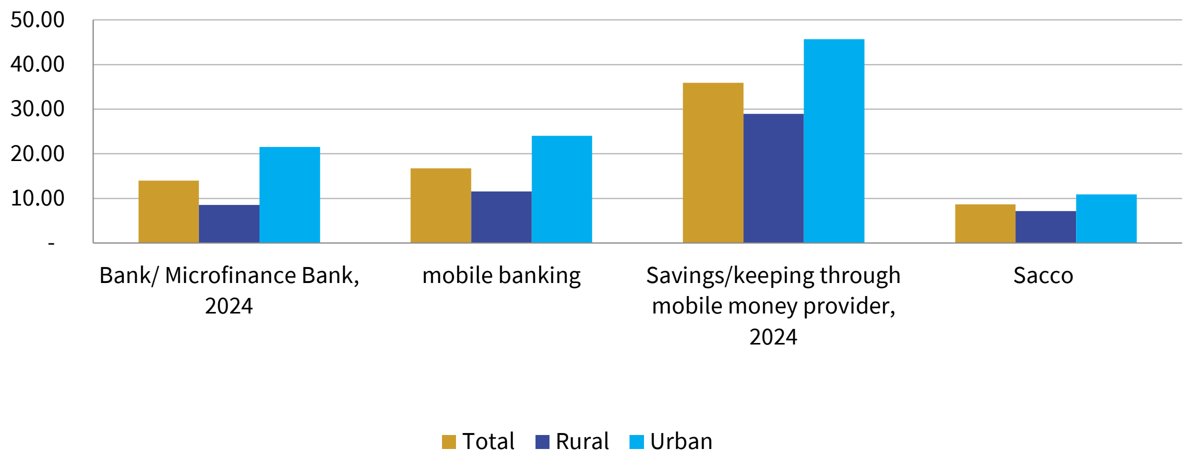
Figure 29: Channels for paying loans (%)



3.14 Bank Savings

Bank/Microfinance Bank lag other methods of savings across all segments. Only 15 percent of the total population saves through banks, with rural and urban usage at 10 percent and 25 percent, respectively. Saving though mobile banking (20 percent), was higher than traditional bank/MFB (14 percent), mainly driven largely by urban users (30 percent) while rural usage remains low (10 percent). The mobile money is the most popular channel for saving, with 40 percent of the total population using the channel. Urban and rural usage was 45 percent, and 30 percent, indicating that high trust, convenience and accessibility of mobile money platforms. SACCOs, are the least used (about 5 percent), while banks remain a formal savings option. However, a larger proportion of respondent prefer saving through mobile money, especially in urban areas. Therefore, there banks can innovate can innovate and expand their digital platform to be more relevant for rural residents to channel their deposits in the banking sector.

Figure 30: Formal savings (%)



3.14.1 Purpose for savings – among banks

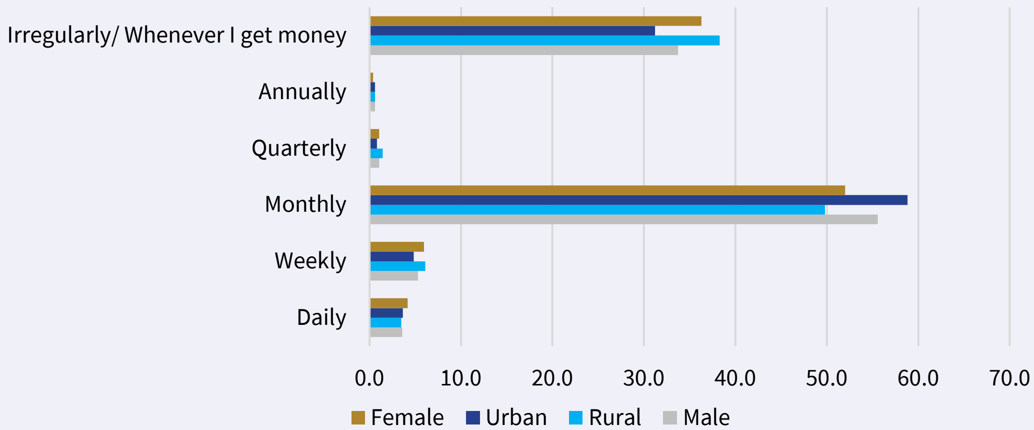
The main objective for saving through mobile is to meet for emergencies. Among saver, 43 percent used mobile banking to save for emergencies, compared to 30.5 percent for banks and 27.7 percent overall. Similarly, day-to-day needs are more commonly met through mobile banking (23.1 percent) than banks (9.7 percent), though overall usage is highest (35.9 percent), suggesting that mobile banking is a preferred device for frequent, flexible access. In contrast, banks are more commonly used for education (15.5 percent) and safekeeping (15.2 percent), indicating a perception of greater security for long term savings to meet goals in future. Banks are also used to save for business purposes (11.7 percent) compared to mobile banking (8.8 percent). However, for long-term savings like retirement, traditional bank account and mobile banking is used by 4.8 percent and just 1.8 percent, respectively, suggesting a gap in long-term financial planning products. Savings for land/property improvements, farming, livestock, and social purposes are generally low across all channels, though banks account is preferred to mobile bank for saving for property-related goals.

However, mobile banking and bank account are not used for receiving pensions and accessing credit, hence developing products to enable individual and household to receive pension and saving will enhance inclusion especially for the old age, vulnerable and in rural areas. Overall, mobile banking is favoured for immediate and emergency needs, while banks are preferred for more structured goals like education and safekeeping, suggesting opportunities for financial service providers to tailor products based on savings motivations.

Table 2: Use of Bank savings (%)

	Overall use of savings	Bank/MFB	Mobile banking
Day to day needs	35.9	9.7	23.1
Emergencies	27.7	30.5	43.0
For later in life/ For old age	11.3	4.8	1.8
Education	9.8	15.5	8.0
For safekeeping	9.4	15.2	10.3
Business	7.5	11.7	8.8
Land/property/house improvements	3.9	8.4	1.8
Farming/fishing	1.9	2.2	0.9
Buy Livestock	1.5	0.9	1.0
For social reasons eg. wedding, bride price, birthday	1.4	0.2	0.3
For receiving pension	1.1	0.0	0.0
Acquisition of motor vehicle, bodaboda	0.3	0.5	0.2
Grow limit/access credit		0.3	0.7

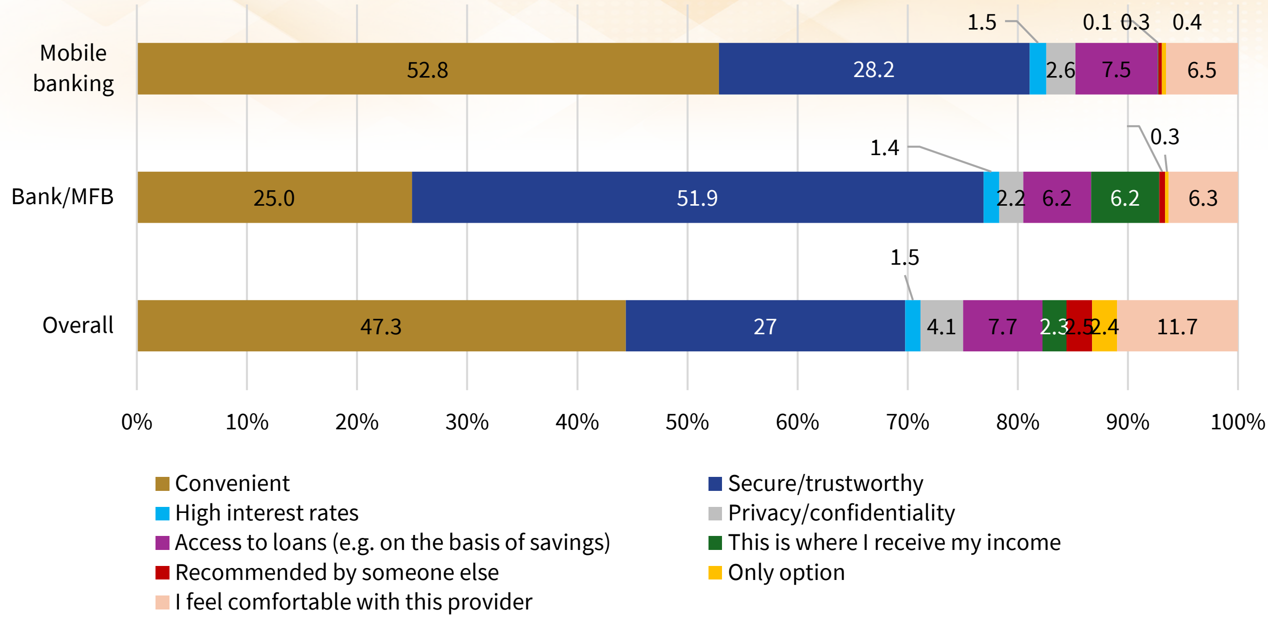
Figure 31: Frequency of Banks Savings (%)



3.14.2 Drivers for saving through banks

The survey findings reveal that the primary reason for choosing a particular savings product is the convenience and sense of security or trust associated with banks. These factors play a significant role in influencing customers' decisions when selecting their most important savings product.

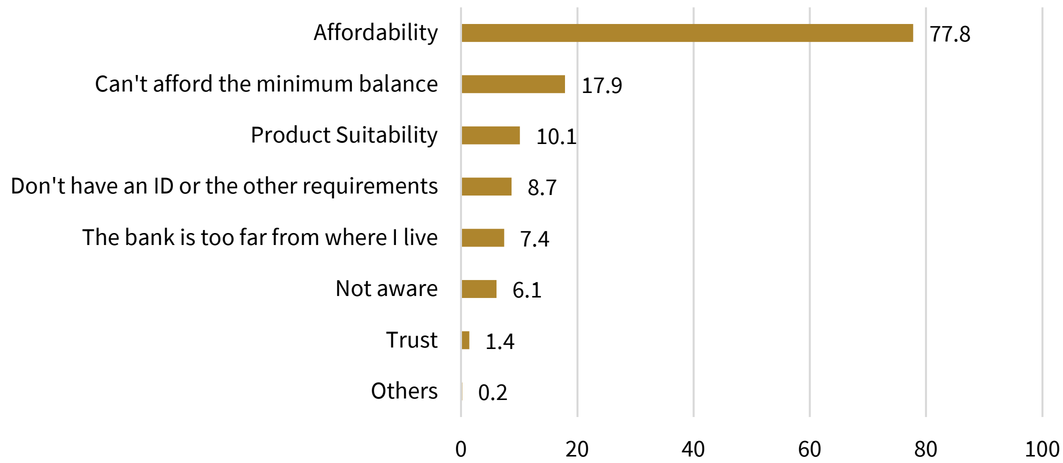
Figure 32: Reasons for choosing a specific saving device (%)



3.14.3 Reasons for non-use of banks savings

The survey findings indicate that affordability is the most significant barrier to using banks or microfinance banks (MFBs), cited by 77.8 percent of respondents. This highlights the perceived or actual cost of banking services as a critical deterrent. Additionally, 17.9 percent of respondents reported an inability to maintain the minimum balance required by banks, further emphasizing affordability constraints. Other notable reasons include lack of suitable banking products (10.7 percent), suggesting a gap in product relevance or accessibility, and the absence of a national identification document (8.7 percent), pointing to documentation and regulatory hurdles that hinder access to formal banking.

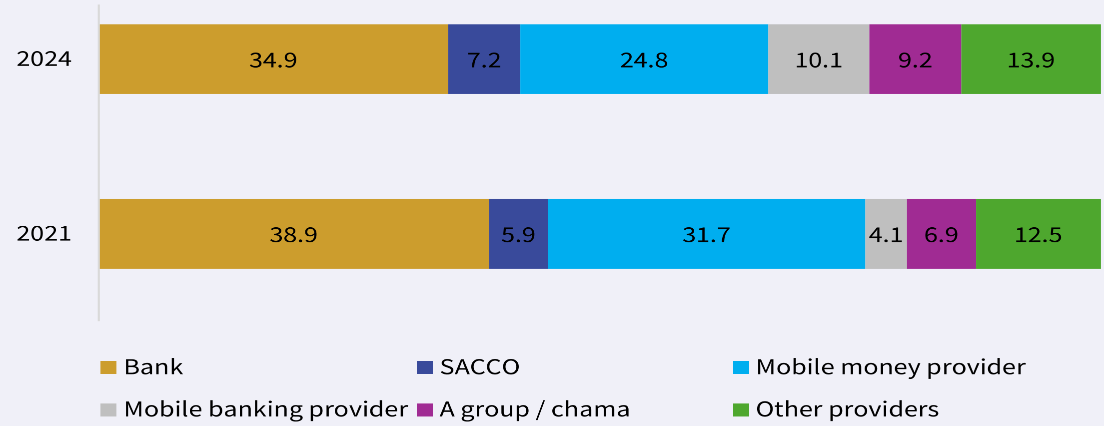
Figure 33: Reasons for not saving (%)



Chapter 4: Quality

The survey findings reveal notable shifts in public trust across financial service providers between 2021 and 2024. While banks remained the most trusted financial institutions in both years, trust levels declined from 38.9 percent in 2021 to 34.9 percent in 2024. Similarly, trust in mobile money providers also decreased significantly from 31.7 percent to 24.8 percent, reflecting a 6.9 percentage point decline.

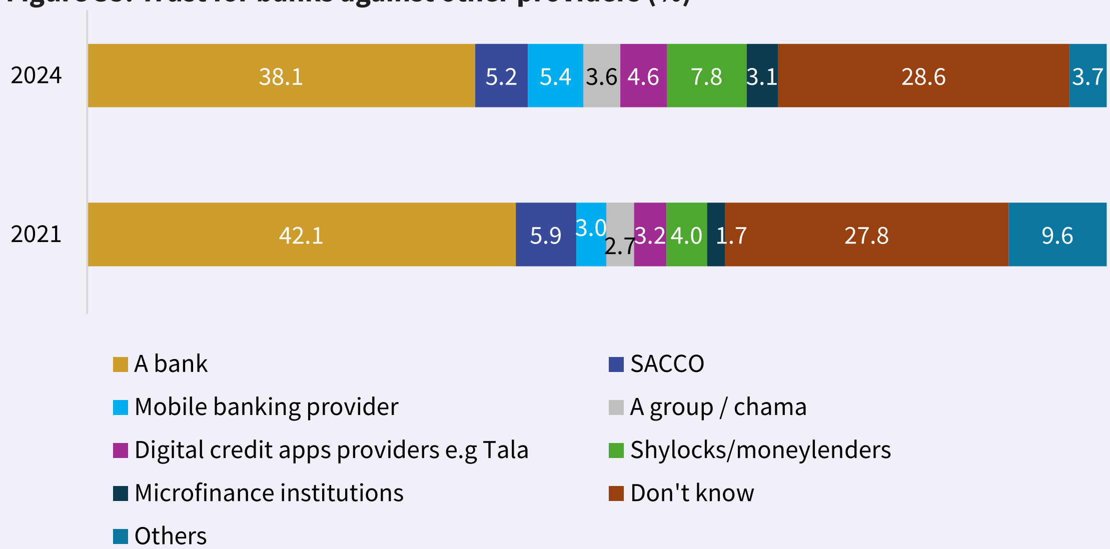
Figure 34: Trust for banks against other providers (%)



In contrast, trust in other providers increased marginally. Trust in chamas rose from 6.9 percent to 9.2 percent, and SACCOs gained slightly from 5.9 percent to 7.2 percent. This shift may reflect changing perceptions of accessibility, reliability, response to challenges consumers encounter in consuming the services integrity and transparency in pricing products. Hence, the banking sector can enhance trust being more customer centric, transparent, responsive to customer needs and challenges and dynamic to be in tandem and relevant with financial landscape, tastes and preference.

4.1 Perceived provider with the highest interest rates

Figure 35: Trust for banks against other providers (%)



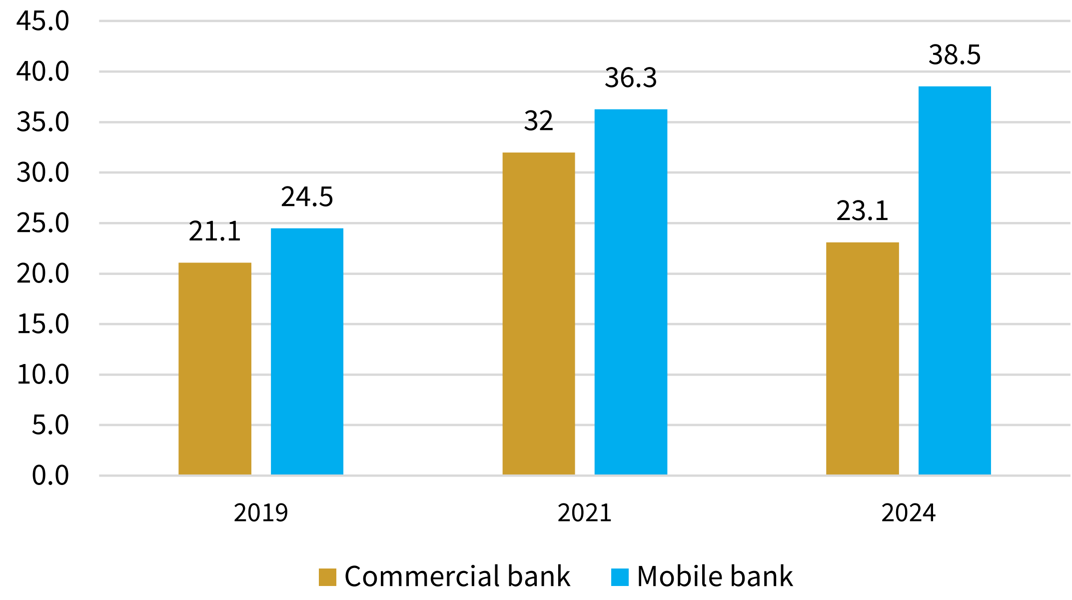
Banks continue to be perceived as the providing loans with the highest interest rates, but this perception declined from 42.1 percent in 2021 to 38.1 percent in 2024. The improvement in the perception can be attributed to increased transparency, regulatory interventions, or better communication around loan terms.

The proportion of adults who "don't know" which provider has the highest interest rates has remained high and even increased slightly from 27.8 percent to 28.6 percent. This represents over 8 million adults in 2024 who are uncertain about interest rate differences. For banks, this presents an opportunity by improving transparency on pricing and offering clear comparisons with alternative lenders, banks could reshape consumer perceptions and rebuild trust.

The perceptions of high interest rates from shylocks/moneylenders (4.0 percent to 7.8 percent) and digital credit providers (3.2 percent to 4.6 percent) have increased, which may reflect increased borrowing from these providers, where high costs have become more apparent to consumers due increased awareness of cost of credit.

4.2 Inactive use of accounts

Figure 36: Inactive accounts (%)



Inactivity—defined as accounts not used in the past 90 days—highlights notable differences between commercial banks and mobile bank accounts, reflecting engagement with customers, increase in affordability and relevance of services. Commercial banks recorded an increase in inactivity from 21.1 percent in 2019 to 32 percent in 2021, likely due to pandemic-related financial disruptions. However, by 2024, inactivity declined to 23.1 percent, suggesting a partial recovery as users re-engage with banking services. The inactive mobile bank accounts, increased from 24.5 percent in 2019 to 38.5 percent in 2024. This significant increase suggests that despite their accessibility, mobile bank accounts may not be fully meeting user needs, leading to disengagement.

4.3 Debt distress

The survey findings indicates that significant portion of the population is experiencing debt distress, as evidenced by the high percentages across urban and rural dwellers for those who paid late/missed a payment/paid less/didn't pay at their loans at all. Rural areas show a higher tendency for complete non-payment compared to urban areas, suggesting potentially greater financial vulnerability or difficulty in accessing resources in rural settings. Urban areas have a higher percentage of individuals who have paid late or missed payments compared to rural areas, indicating potential cash flow challenges or higher debt loads in urban areas.

Overall, the survey indicates substantial, level of severe debt distress across the respondents with relatively high numbers of respondents who did not pay their loan at low. The high level of debt distress is in tandem with increased level of stock of non-performing levels in the banking sector.

The high levels of levels of debt distress calls for financial literacy and education programs among the population to improve debt management, accessible and affordable credit options to prevent severe debt distress and targeted support and interventions for vulnerable populations, particularly in rural areas.

Notably, both genders are experiencing some form of debt distress **(Figure 37).** However, a slightly higher percentage of males (46.1 percent) not default/always pay on time compared to females (45.8 percent). The percentage of individuals who didn't pay at all is relatively similar across both genders. This indicates debt distress is widespread all across sex, with females facing a slightly greater higher debt distress.

Figure 37 (a): Debt Distress (%)

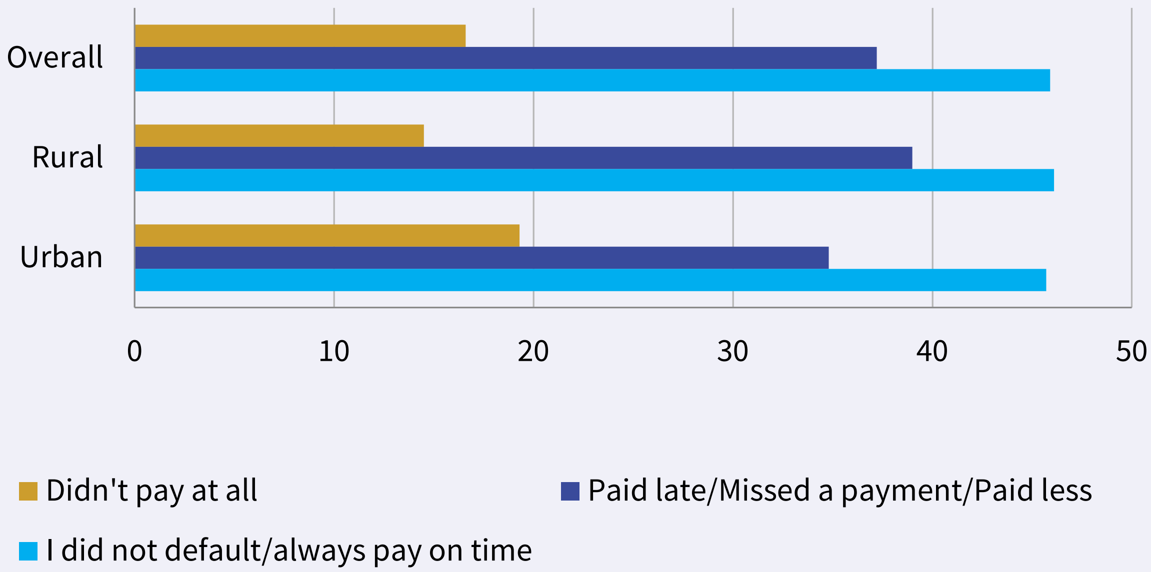
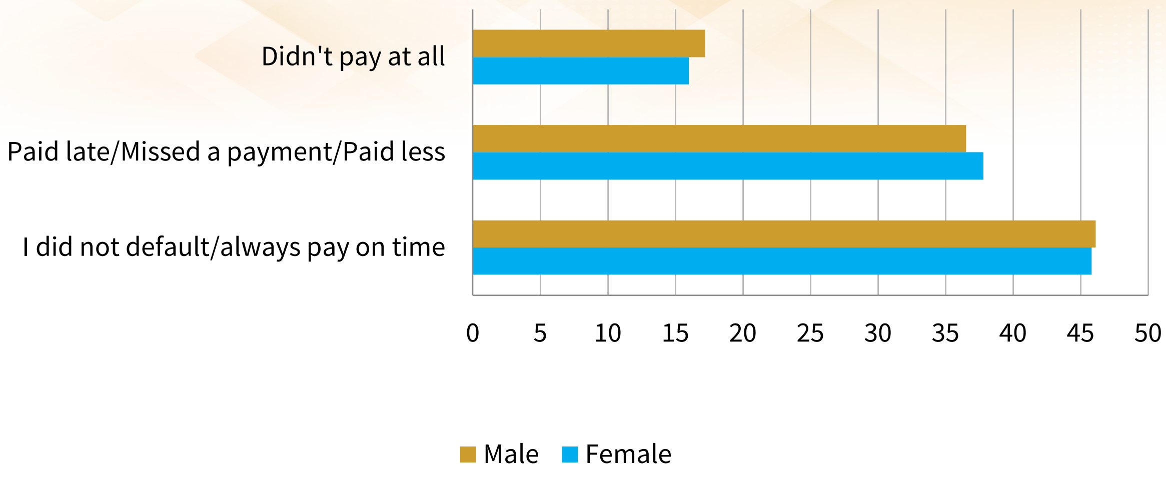


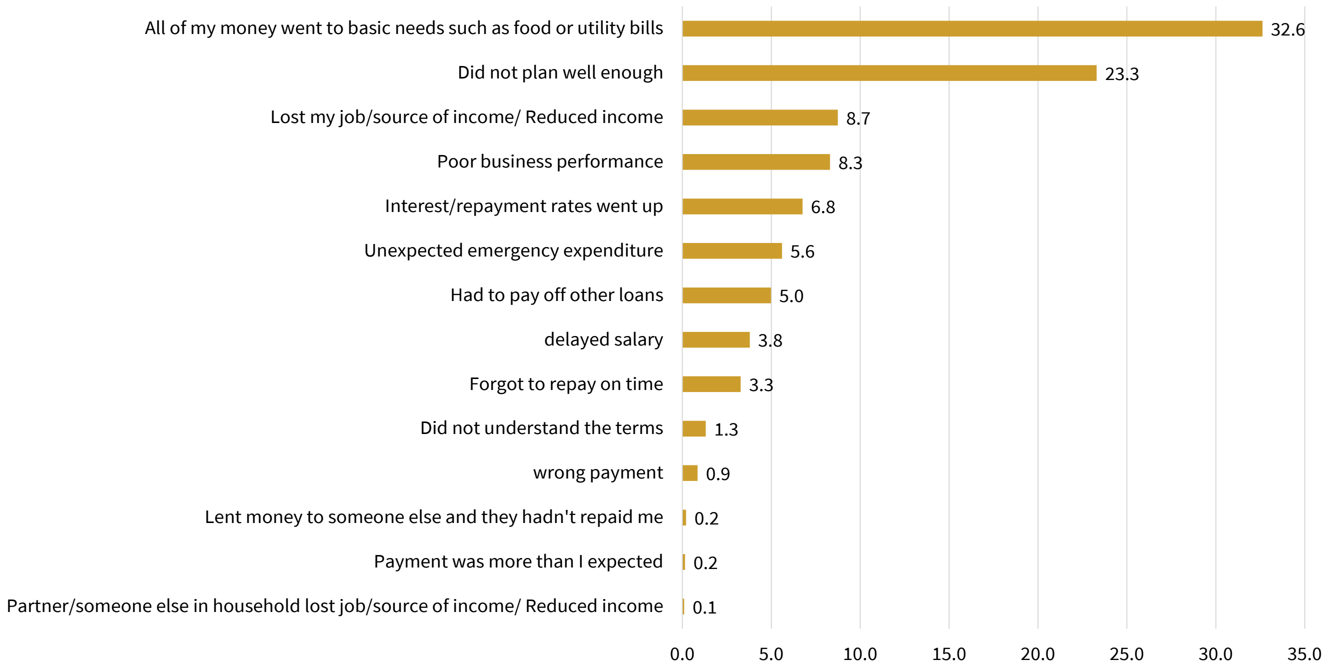
Figure 37 (b): Debt Distress by gender



4.4 Reasons for delayed repayment of bank loans

The key reasons to delayed repayments for banking sector loans across all borrowers is basic needs expenditure, with 32.6 of respondents citing that all of their money went to basic needs such as food or utility bills. The second reason is poor financial planning, with 23.3 percent of the total citing they did not plan well enough. Other reasons cited are loss of jobs/source of income and poor business performance by 8.7 percent and 8.3 percent, respectively. This aligns with supply side where one of the key reasons is challenges in the business environment.

Figure 38: Reasons for defaulted bank loans (%)

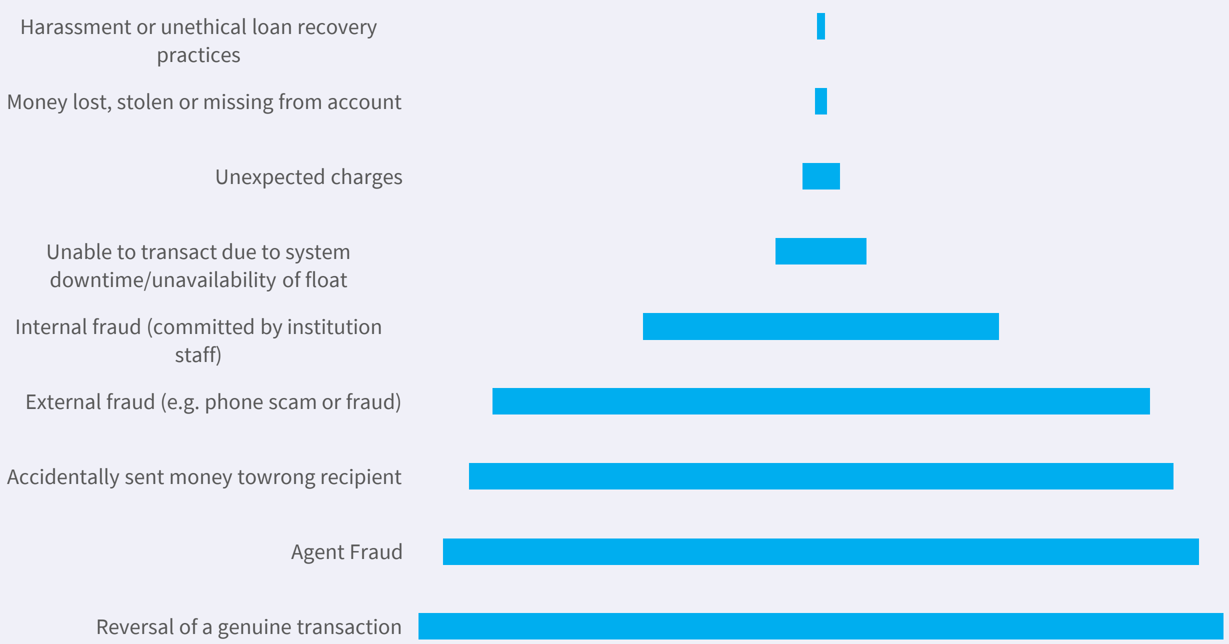


4.5 Consumer protection

4.5.1 Ways in which money was Lost in the bank account

The primary cause of financial loss is reversals of genuine transactions, which account for 98.4 percent, highlighting potential systemic errors or disputes. Agent fraud is also a significant concern, with 92.4 percent of respondents reporting this issue. External fraud contributes to a substantial portion of the loss at 80.4 percent, while internal fraud, involving bank staff, accounts for 43.5 percent. Additionally, a large share of financial losses stems from accidentally sending money to the wrong recipient, representing 86.1 percent of cases.

Figure 39: lost money (%)



4.5.2 Complaint Resolution

The survey findings indicate retrogression in resolving complaints between 2021 and 2024, despite an increase in the number of cases reported . In 2021 and 2024 surveys, 77 percent and 70.1 percent of the cases were successfully resolved but the proportion of unresolved cases increased from 18.9 percent to 29 percent respectively, indicating that resolution mechanisms are becoming ineffective. The cases pending resolution are low across the surveys, highlighting a minimal backlog **(Figure 40 and 41).** Overall, the efficiency and effectiveness in resolving issues declined, demonstrating growth in banking sector appetite to increase consumer protection.

Figure 40: Success Complaints Resolution (%)

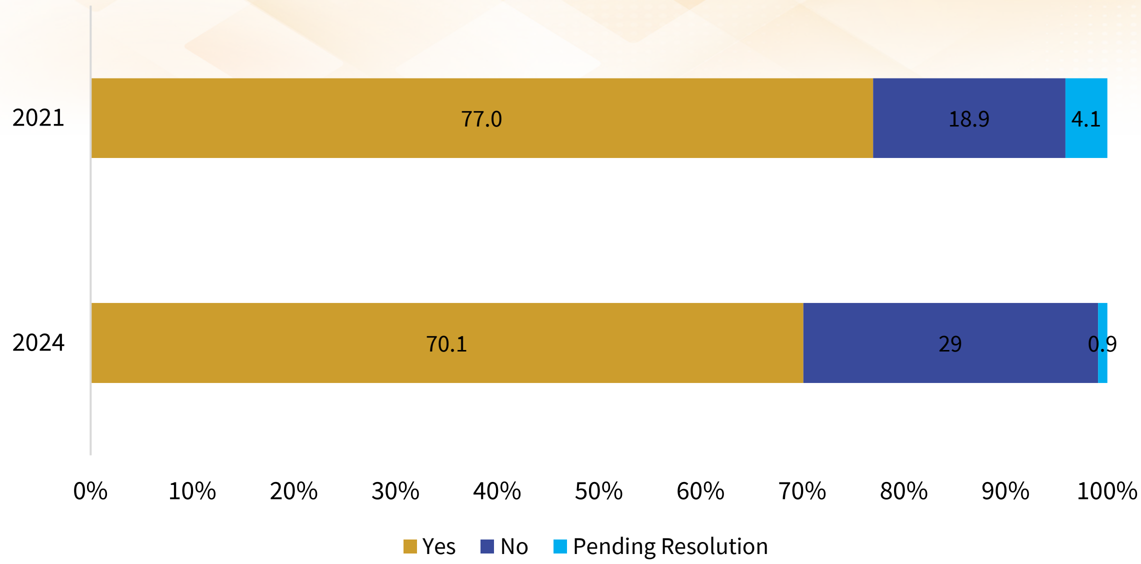
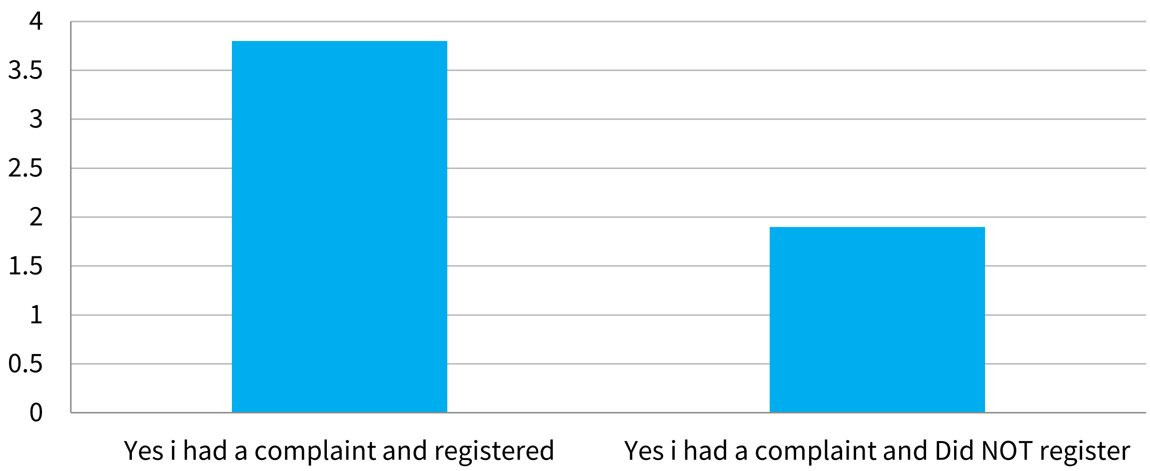


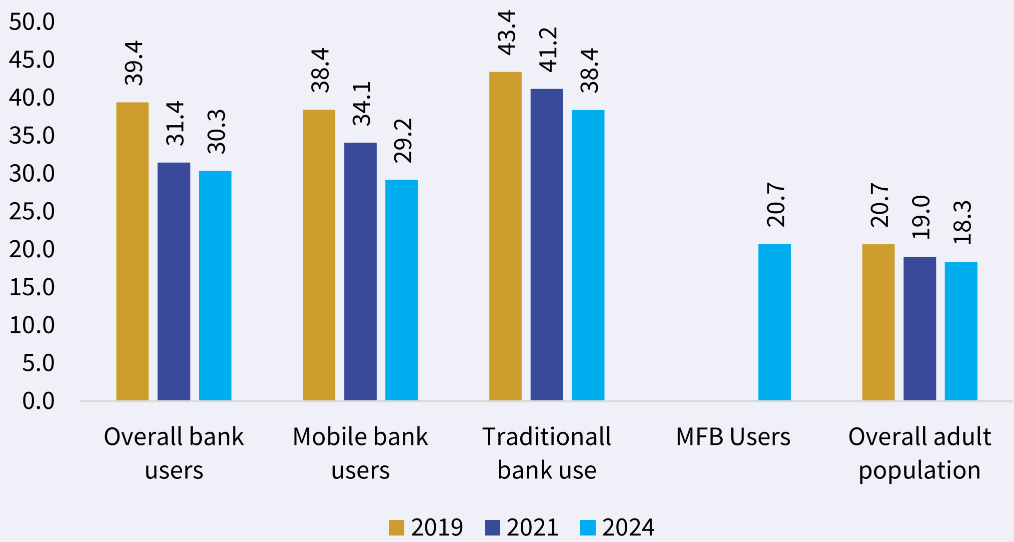
Figure 41: Complaint registration (%)



Chapter 5: Impact

5.1 Financial health among bank users and non-bank users

Figure 42: Financial health for bank customers against others



Financial health—defined as the ability to meet daily needs, handle financial shocks, and invest in the future—has declined over time but shows signs of stabilization in 2024, with variations across different financial service providers.

- Traditional bank users continue to be the most financially healthy at 38.4 percent in 2024, compared to 43.4 percent in 2019.
- Mobile bank users saw a smaller decline, with 29.2 percent financially healthy in 2024, compared to 38.4 percent in 2019. This suggests that mobile banking services remain important but need to evolve to maintain long-term financial stability for users.
- Overall bank users (including both traditional and mobile banking) saw their financial health drop from 39.4 percent in 2019 to 30.3 percent in 2024, indicating that while banks still play a critical role, they face difficulties in meeting customers' financial needs.
- Microfinance bank (MFB) users, with 20.7 percent financially healthy in 2024, perform better than the general population, suggesting that MFBs are helping to support financial resilience, particularly for underserved groups.
- The financial health of the adult population declined from 20.7 percent in 2019 to 18.3 percent in 2024, indicating worsening financial vulnerability across Kenya.

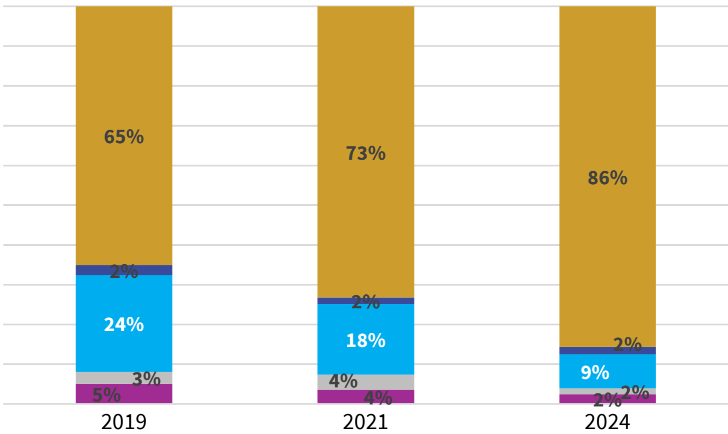
5.2 Ability to get emergency fund

Access to emergency funds within three days improved in 2024 survey to 25 percent compared to the 2021 survey, in which 17 percent of the respondent were able to ccess the funds for emergency. The improvement in the ability to access emergency funds can be attributed to availability of credit facilities, especially through the digital channel **(Table 4 and Figure 43).**

Table 4: Ability to get emergency fund

	2019	2021	2024
Total adult population	25,104,968	27,307,678	28,142,069
All who mentioned could access money in case of an emergency (actual)	4,907,651	4,542,568	7,006,831
All who mentioned could access money in case of an emergency (%)	20%	17%	25%

Figure 43: Financial Institution to access emergency fund

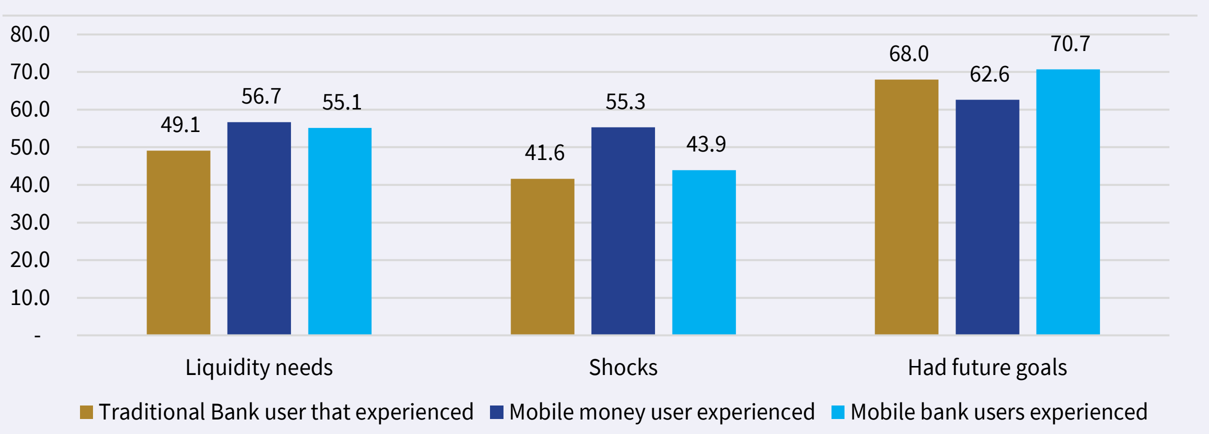


	2019	2021	2024
Use Other financial solutions	65%	73%	86%
Use savings held in mobile banking	2%	2%	2%
Use savings held at a bank	24%	18%	9%
Use loan from mobile banking	3%	4%	2%
Use loan from bank	5%	4%	2%

However, reliance on formal financial institutions for emergencies has significantly declined. Bank loans, were used by 5 percent of adults in 2019, but declined 2 percent in 2024, while savings in banks as an emergency fallback decreased from 24 percent to 9 percent. Mobile banking also played a minimal role. mobile loans were used by 4 percent in 2021, which declined to 2 percent, while savings in mobile accounts was consistently low at 2 percent in 2024. Meanwhile, the reliance on alternative financial solutions, such as borrowing from family, informal lenders, credit only providers, SACCOs, surged from 65 percent in 2019 to 86 percent in 2024. This implies that bank products do not adequately address urgent liquidity needs of Kenyans. Banks can capitalise on this opportunity to bridge this gap by developing more flexible, accessible emergency savings and credit products that align with consumer needs, addressing the barriers that have led to increased dependence on informal solutions.

5.2.1 Traditional bank users, mobile money users and mobile bank users experiencing financial needs

Figure 44: Experiencing financial needs



Needs experienced	Liquidity	Shocks	Future goals
Total number of adults bank users in Kenya	8,159,204		
Bank user also that experienced/involved	4,004,972	3,398,296	5,550,016
Total MM user	23,158,515		
Mobile money user also experienced	13,130,426	12,806,493	14,502,669
Total mobile bank users	9,171,131		
Mobile bank users also experienced	5,054,251	4,026,505	6,486,980

- **Future goals:** Mobile bank users (70.7 percent) and traditional bank users (68.0 percent) are more likely to experience future financial goals than mobile money users (62.6 percent). This is equivalent to **6.49 million mobile bank users, 5.55 million bank users,** and **14.5 million mobile money users** with future financial goals, reinforcing banks' strength in long-term financial planning.

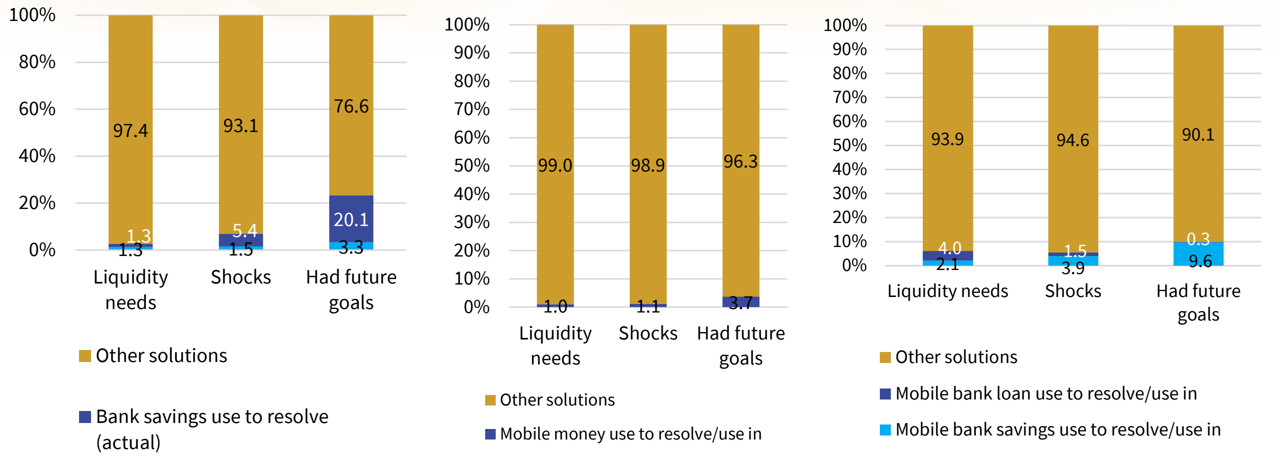
- **Liquidity needs:** Mobile money users (56.7 percent) and mobile bank users (55.1 percent) experience liquidity challenges more than traditional bank users (49.1 percent). In absolute numbers, **13.13 million mobile money users, 5.05 million mobile bank users,** and **4 million bank users** face liquidity constraints, showing the reliance on digital financial services for short-term cash needs.

- **Financial shocks:** Mobile money users (55.3 percent) report the highest experience of financial shocks, compared to mobile bank users (43.9 percent) and traditional bank users (41.6 percent). This means **12.8 million mobile money users, 4.03 million mobile bank users,** and **3.4 million bank users** experience financial shocks, highlighting the limited role of traditional banks in emergency financial solutions.

This suggests that while banks excel in future financial planning, mobile money remains the primary option for addressing immediate financial shocks and liquidity needs.

5.2.2 Use of traditional bank mobile money and mobile bank to deal with financial needs among users

Figure 45: Use of traditional bank, mobile and mobile bank to deal with financial needs among users



Despite widespread financial account ownership, most Kenyans still rely on alternative solutions outside formal banking, mobile money, and mobile banking services to address their financial needs. Among 4 million bank users who experienced liquidity needs, only 1.3 percent used bank loans and 1.3 percent used savings, meaning 97.4 percent relied on other solutions. The 13.1 million mobile money users, just 1.0 percent used their accounts, while 99.0 percent turned elsewhere. Mobile banking performed slightly better, with 4.0 percent using loans and 2.1 percent using savings, but 93.9 percent relied on other solutions.

Among 3.4 million bank users facing financial shocks, only 1.5 percent used bank loans and 5.4 percent used savings, meaning 93.1 percent sought alternatives. Of 12.8 million mobile money users, only 1.1 percent used their accounts, leaving 98.9 percent depending on other means. Mobile banking was similar, with 1.5 percent using loans and 3.9 percent using savings, while 94.6 percent turned elsewhere. The 5.55 million bank users saving for future goals, only 3.3 percent used bank loans and 20.1 percent used bank savings, meaning 76.6 percent relied on other solutions.

Among the 14.5 million mobile money users, 3.7 percent used their accounts, with 96.3 percent seeking alternatives. Mobile banking had a better engagement, with 9.6 percent using savings, 0.3 percent using loans while 90.1 percent rely on other sources. Despite millions of Kenyans owning formal financial accounts, they still rely on informal or alternative means to meet their needs. This provides an opportunity for banks and mobile providers to innovate and offer relevant products.

The micro and small enterprises as well as farmers use traditional bank, mobile money and mobile bank services for savings and investments, but still rely on alternative solutions to meet their financial needs. Among 3.26 million bank users engaged in agriculture, only 0.2 percent used bank loans and 2.8 percent used savings, meaning 97.0 percent sought other means.

Table 5: Supporting Livelihoods

	Farmers	MSEs
Base: Bank users who are	3,261,423	3,745,435
Bank loan use to resolve/use in	0.2	1.7
Bank savings use to resolve (actual)	2.8	5.4
Other solutions	97.0	92.9
	Farmers	**MSEs**
Base: Mobile money users who are	10,014,048	5,251,915
Mobile money use to resolve/use in	1.3	1.7
Other solutions	98.7	98.3
	Farmers	**MSEs**
Mobile bank users who are	3,346,493	2,534,844
Mobile bank savings use to resolve/use in	1.8	4.3
Mobile bank loan use to resolve/use in	0.4	0.5
Other solutions	97.9	95.1

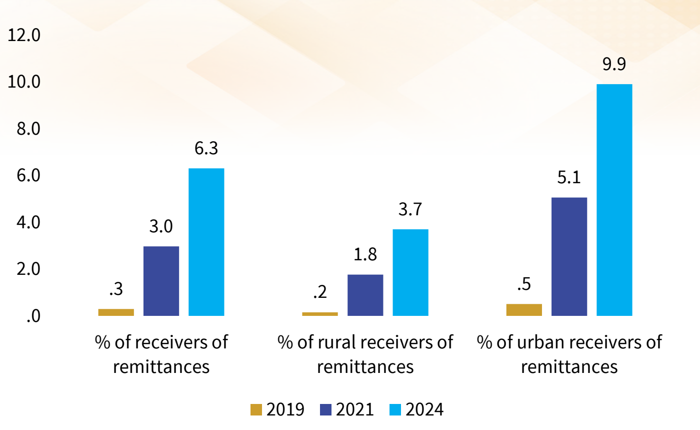
For 10 million mobile money users in farming, only 1.3 percent used mobile money, while 98.7 percent turned elsewhere. Mobile banking was also underutilized, with 1.8 percent using savings and 0.4 percent using loans, leaving 97.9 percent relying on other sources. The 3.75 million bank users running MSEs, only 1.7 percent used bank loans and 5.4 percent used savings, with 92.9 percent depending on other options.

Among the 5.25 million mobile money users in MSEs, only 1.7 percent relied on mobile money, while 98.3 percent sought alternatives. Mobile banking was also rarely used, with 0.5 percent taking loans and 4.3 percent using savings, leaving 95.1 percent relying on informal sources. This implies that farmers and MSE are largely underserved by formal financial providers yet contribute over 70 percent of the gross national product. Therefore, banks, mobile money, and mobile banking services can catalyse the contribution of farmers and MSEs by offering relevant and affordable products innovatively.

5.3 Overall inbound remittances trends

The cross-border remittances are a crucial component of income for households and firms in Kenya. The inflow of remittances increased between 2010 and 2025, driven by the expanding Kenyan diaspora and ease of sending money increasing use of digital channels for money transfers. In 2024, diaspora remittances reached $ 7,662.1 million, accounting for over 3 percent of Kenya's GDP. The United States remains the largest source, contributing 58 percent of the total remittances.

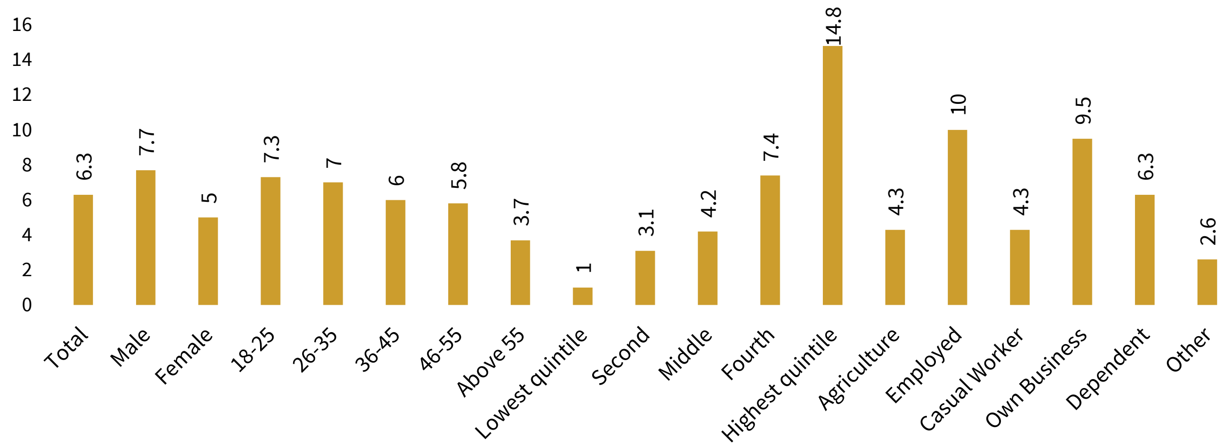
Figure 46: inbound remittances trends



	Adult population	Receivers of remittances
2019	25,104,968	75,080
2021	27,307,678	810,718
2024	28,142,068.60	1,775,107.00

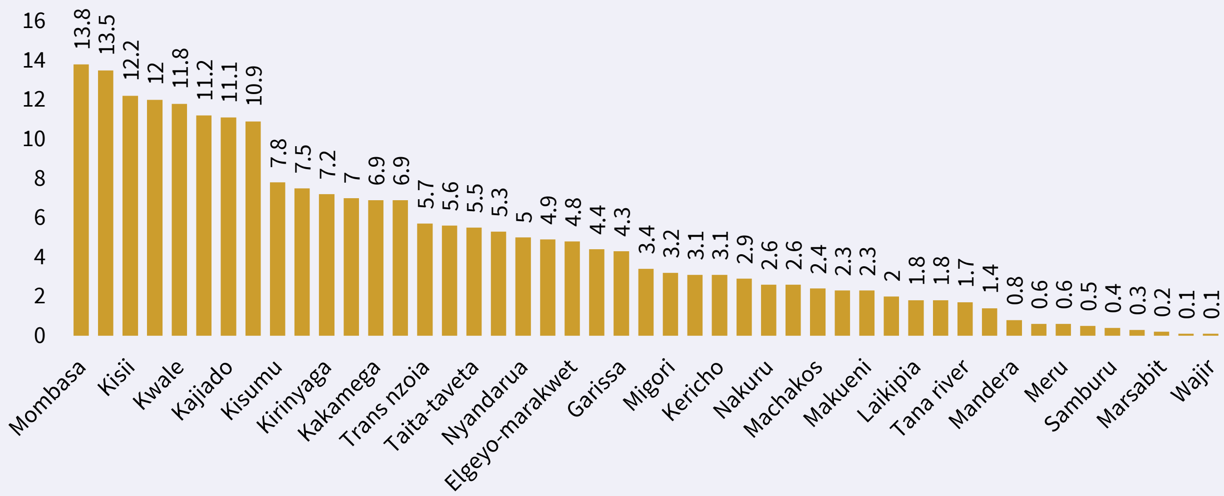
Between 2019 and 2024, the proportion of Kenya's adult population receiving remittances increased from just 0.3 percent in 2019 to 6.3 percent in 2024—representing an increase from approximately 75,080 individuals to over 1.77 million. The increase was recorded across the rural and urban areas, though urban populations consistently reported higher receipt rates. In rural areas, the proportion of remittance receivers grew from 0.2 percent in 2019 to 3.7 percent in 2024, while in urban areas, the share rose from 0.5 percent to 9.9 percent over the same period. These findings indicate that remittances are an important component of household income.

Figure 47: Overall inbound remittances trends by demographics



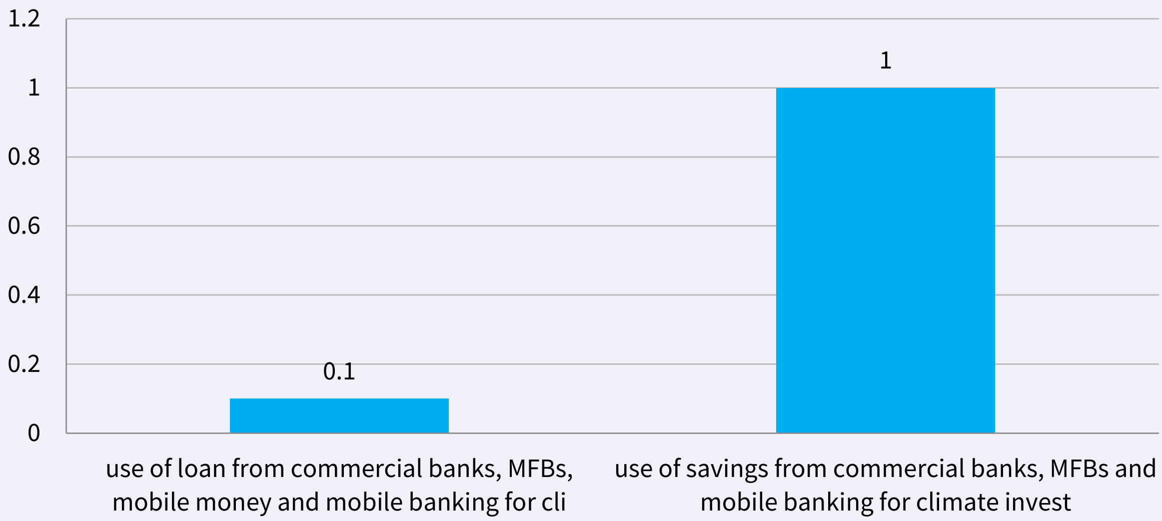
Overall, 6.3 percent of the adult population in Kenya received remittances, with a higher share among men (7.7 percent) than women (5 percent). Young adults aged 18–35 show the highest receipt rates (7–7.3 percent), indicating strong engagement with remittance channels early in life. Remittance uptake increases with income, from just 1 percent in the lowest quintile to 14.8 percent in the highest. Those who are formally employed (10 percent) or run their own businesses (9.5 percent) are more likely to receive remittances compared to those in agriculture or casual work (4.3 percent).

Figure 48: Overall remittances trends by county



Across the country, 6.3 percent of the adult population received remittances, however, there are variations across the counties. Mombasa (13.8 percent), Kiambu (13.5 percent), Nairobi (12 percent), Kisii (12.2 percent), Uasin Gishu (11.2 percent), Kwale (11.8 percent), and Kajiado (11.1 percent) have the highest proportions of remittance recipients. Conversely, counties like Kitui, Wajir, Marsabit, and Lamu report less than 1 percent of their populations receiving remittances.

Figure 49: Use of banks for green finance



Chapter 6: Conclusion and policy recommendations

The access and utilisation of bank services increased between 2021 and 2024, mainly driven mobile banking and mobile money. However, rural resident and women have lower access and utilisation of bank services compared to urban resident and males. A large proportion of adult population use banking services for safe keeping of assets, making payment, savings and credit. Banks are used to make large amount of payments on a monthly basis. However, mobile money used on daily basis to make small and frequent payments, reducing the use of cash. However, use of cash as reduced, but still a dominantly used to make payment. The rise of mobile money and mobile banking is due to increase in smartphone availability, merchant acceptance of digital payments, and consumer trust in electronic transactions. Households and firms saving, investment and emergencies, which require financial services provider to address them. Despite the banking sector providing credit and savings services, respondent relied on other financial service provider and family and friend to meet their needs. In addition, respondent who accessed and used bank services were financially unhealthy compared to those who used other financial services. The respondents with bank loans experienced debt distress and were unable to repay their loans in time compared to loan from other lenders.

The banking sector has improved in addressing customer challenges encountered in using bank products and services. This can be attributed to increased awareness and implementation of banking sector charter. However, loss of money due to external fraud, reversal of genuine transaction, agent fraud and accidentally sent remained high.

6.1 Policy recommendations

1. Customer centric products in line with the banking sector vision of working with and for the people. Develop customer centric products and services to meet the dynamic needs of the diverse customers including farmers and MSEs. This will reduce the reliance on formal financial institutions for emergencies funding has significantly declined.
2. Closing the gap. adoption and leveraging on fintech innovations in delivering banking products and services that are relevant and affordable. This will contribute towards reducing disparities across sex and resident (rural and urban) as well as livelihoods. Also developed targeted products for rural and urban area focussing on enhancing access and utilisation by increasing accessing mobile phone, digital devices, network coverage, electricity in rural and marginal areas
3. Financial literacy. Implement targeted financial literacy programs and tailored communication strategies to educate underserved populations such as women, youth, and rural residents on financial products.
4. Build trust. Continued enhancement of transparency within the banking sector by clearly communicating interest rates and fees and strengthen consumer protection mechanisms to promote trust and responsible financial engagement.
5. Entrench responsible borrowing and lending practices including implementing risk-based pricing by banks mitigate overborrowing and predatory lending . Also, need to strengthen market conduct regulations to mitigate debt distress and protect consumers from predatory lending practices.
6. Develop specialized loan products and savings accounts that are tailored for green finance initiatives to entice the population to take up climate friendly products.
7. Opportunities for remittance based financial products. Need for targeted financial services and remittance-linked products, especially for youth, women, low-income, and informal sector populations.

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