



CENTRAL BANK OF KENYA

LAUNCH OF THE FINACCESS HOUSEHOLD SURVEY, 2016

KEY FINDINGS

Crowne Plaza Hotel, Upper Hill, Nairobi

Speech by

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As Prepared for Delivery

- 1. I am delighted and honoured to join you today at this launch of the Key Findings of the 2016 FinAccess Household survey that also marks the 10th anniversary of the FinAccess Surveys in Kenya.**
- 2. *Policy Goal:*** The creation of a vibrant, efficient, stable and globally competitive and inclusive financial system to drive savings and investments necessary to achieve our development agenda as outlined in Kenya's Vision 2030 is crucial.
 - There cannot be meaningful financial sector development if finance is not accessible and inclusive.
 - Financial inclusion in terms of *Access, Usage, Quality and Welfare* remains one of the priority areas for the Government.
- 3. *Financial Inclusion Landscape:*** I am pleased to be part of this financial inclusion agenda of **improving the measurement, understanding, tracking progress and its dynamics overtime**. This has been done mainly through undertaking FinAccess Suite of Surveys since 2006.

4. ***Key Findings:*** The results we are releasing today reflect developments in the wider economy, infrastructural facilities, technological innovations, financial sector developments, policy and regulatory reforms as well as financial markets innovations.

I am delighted to announce that Kenya has made a lot of progress towards the Kenya Vision 2030 financial sector development agenda. In terms of financial inclusion, we have far exceeded the Government target to increase the proportion of the population with access to finance to over 70% by 2018 under the Second Medium Term Plan, 2013-2018.

- The proportion of adult population using formal financial services rose to **75.3% in 2016**

Formally Included proportion of the adult population	2016	75.3%
	2013	66.9%
	2009	40.5%
	2006	26.7%

- The rural-urban formal financial access gap has narrowed since 2006.

	2016	2006
Rural areas	69.0%	23.8%
Urban areas	86.3%	35.5%

- Kenyans are increasingly using a combinations of a variety of financial services providers and new innovations reflecting the importance of a diversified financial system with 59.7% of the adult population using two or more types of financial services providers compared with 18.8% in 2006.
5. There is need to foster appropriate and proportional regulation and supervision of the different financial services providers to enhance access to a broader mix of providers and products that meet the needs of different consumers. With this growing demand from consumers for a diverse mix of products and innovations, the financial sector requires an enabling environment to foster innovations to the changing financial market environment. However, we need to take appropriate measures to address any emerging risks and mitigate any potential impact to the financial system stability.
6. ***Uses:*** The survey data and findings can be used by various stakeholders’ to further enhance financial inclusion and promote the sector’s development. I urge you all to design ways to enhance dissemination to minimize administrative burden and ease access to allow majority of Kenyans to use the information.
7. **Despite the progress made in the financial inclusion front in the last 10 years, I believe that large gaps still remain** in formal financial inclusion across regions, income groups, age, education and gender in the country.

- In order to enhance financial inclusion to reach a wider population across the country, supportive policy strategies and innovations coupled with a strong and proportionate supervisory and risk management frameworks are necessary.
 - Moreover, the need for financial education and literacy programmes to the population by both the public and private sector is vital, which should be underpinned by sound market conduct practices including financial services consumer protection measures.
8. At this point, let me invite you to listen and learn from today's presentations of the survey findings and urge you to make use of the information and build-upon the same to expand the financial inclusion landscape.

With these few remarks, I welcome you to this breakfast launch event of the Key Findings of the 2016 FinAccess Household Survey and wish you fruitful deliberations. The survey report is, therefore, officially launched.

Thank You!