

Advancing Financial Inclusion through Investments: Bridging Nigeria's Knowledge and Wealth Gap

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State of Play: *Formal Financial Inclusion is increasing, driven primarily by Payments and Savings, however ~40 million are still formally excluded*

	% Nigerian Adults						
	2010	2012	2014	2016	2018	2020	2023
Financial Inclusion	54%	60%	61%	58%	63%	68%	74%
Formal Inclusion	36%	40%	49%	49%	49%	56%	64%
Payments	22%	20%	24%	38%	40%	52%	52%
Savings	24%	25%	32%	36%	24%	37%	38%
Credit	2%	2%	3%	3%	2%	3%	6%
Insurance	1%	3%	1%	2%	2%	3%	3%
Pension	5%	2%	5%	7%	8%	8%	8%
Investment						6%	5%

Access to Financial Services in Nigeria Survey 2023

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While we've made gains, access to investment products and services is limited to a small elite.

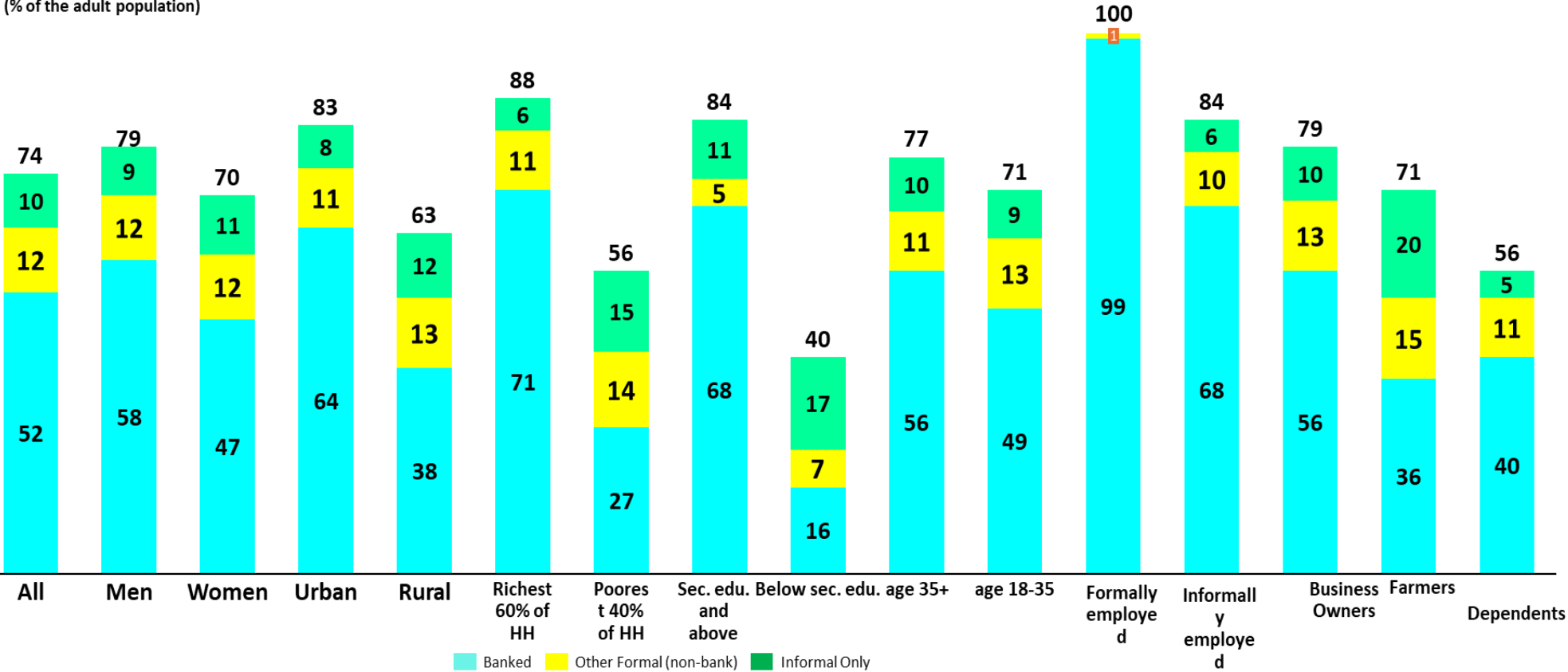
Financial inclusion entails more than access—it requires deeper, meaningful participation.

There is no better measure of economic empowerment than ability to invest



State of Play: *The growth in formal FI masks disparities that exist among population segments which indicate that exclusion has a profile*

Financial Access Strand,
(% of the adult population)



Segment Disparities

9% gender gap

20% location gap

32% wealth gap

44% Education gap

6%+ age gap

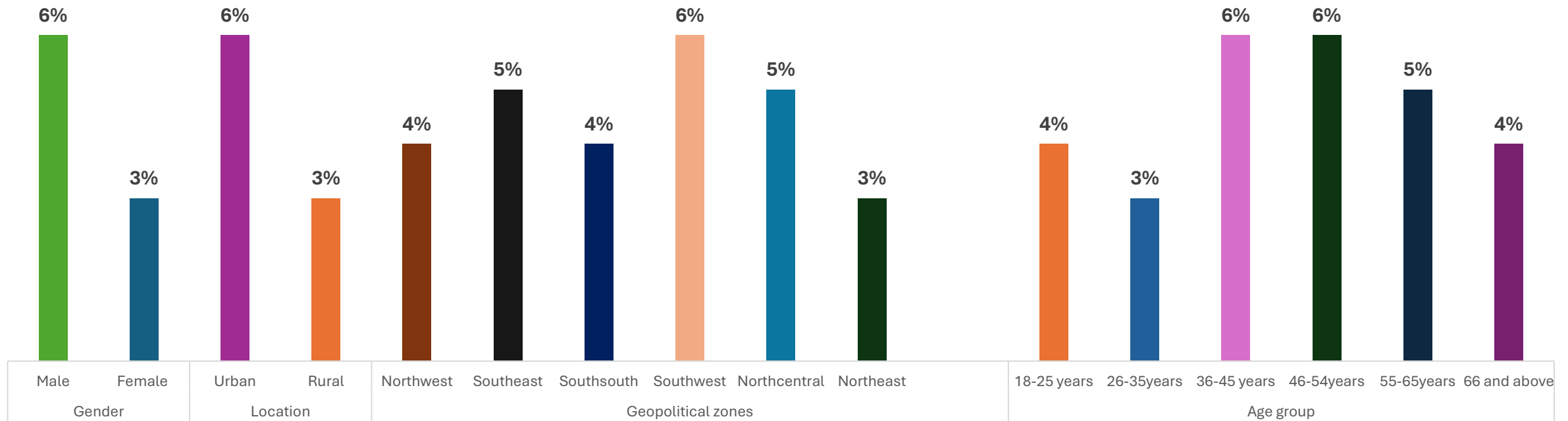
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To bridge our knowledge and wealth gap, we must shift from targeting the already-served only, to building inclusive (investment) ecosystems that work for everyday Nigerians



State of Play - Deep – Dive into "Investments": *A similar story of disparities is evident, illustrating often overlooked potential among certain segments*

Use of investment by demographics (%)



- **Women:** Disproportionately underrepresented among investors
- **Youth:** Often excluded despite high digital adoption
- **Northern & Rural Populations:** Severely underserved due to distance and cultural barriers
- **Informal Sector Workers:** Represent the majority of Nigeria's workforce, yet remain untapped by formal investment channels
- *The biggest untapped opportunity lies with the underserved*



State of Play: *Informal saving groups reflect **demand**, just not met formally*

When people can't access structured investment products that match their realities, capital leaks into informal channels or unproductive uses

Saving mechanisms		2020	2023
Savings at bank (all savings products at bank)		31%	34%
Savings at other formal institutions	• Pension	8%	8%
	• Capital markets	6%	5%
Savings at other informal institutions	• Savings/thrift/collector/merchant	9%	8%
	• Savings group (e.g., Meri-go -round group)	8%	8%
	• Village/community association	5%	10%
	• Co-operative	3%	3%
Savings in a secret place or at home		17%	15%

Millions of Nigerians save informally but can't grow wealth, beat inflation, or build futures through structured investment tools

The "cost of exclusion" in investments shows that Nigeria doesn't lack investable capital—it lacks channels

When people can't access structured investment products that match their realities, capital leaks into losses or remains idle

- If 20 million adults (~50% of excluded, 13% of adult pop) can invest ₦5,000/month, this will equal N100 billion/month in idle capital
 - ₦120b (est.) in missed returns annually for households assuming 10% returns p.a
 - Underserved regions = underserved markets = untapped commission for investment managers
 - Lower domestic capital formation and market liquidity
 - Increased public sector burden (due to lack of household financial resilience)
 - Limited wealth accumulation and intergenerational mobility
 - Reinforced poverty traps and economic volatility
- According to the Nigeria Deposit Insurance Company (NDIC), Nigeria's investment market had lost about Ng11.45 billion to different Ponzi schemes and related frauds in the 23 years up to December 2022 i.e. average of c, N40b p.a
 - According to the A2F 2023, about 5 million Nigerians invested in Ponzi schemes, and 68% experienced losses. Assuming N10k each, this is N34b
 - Estimated total loss in the CBEX (touted as a digital asset trading platform for cryptocurrencies) scam is N1.3 trillion (Proshare, April 2025)

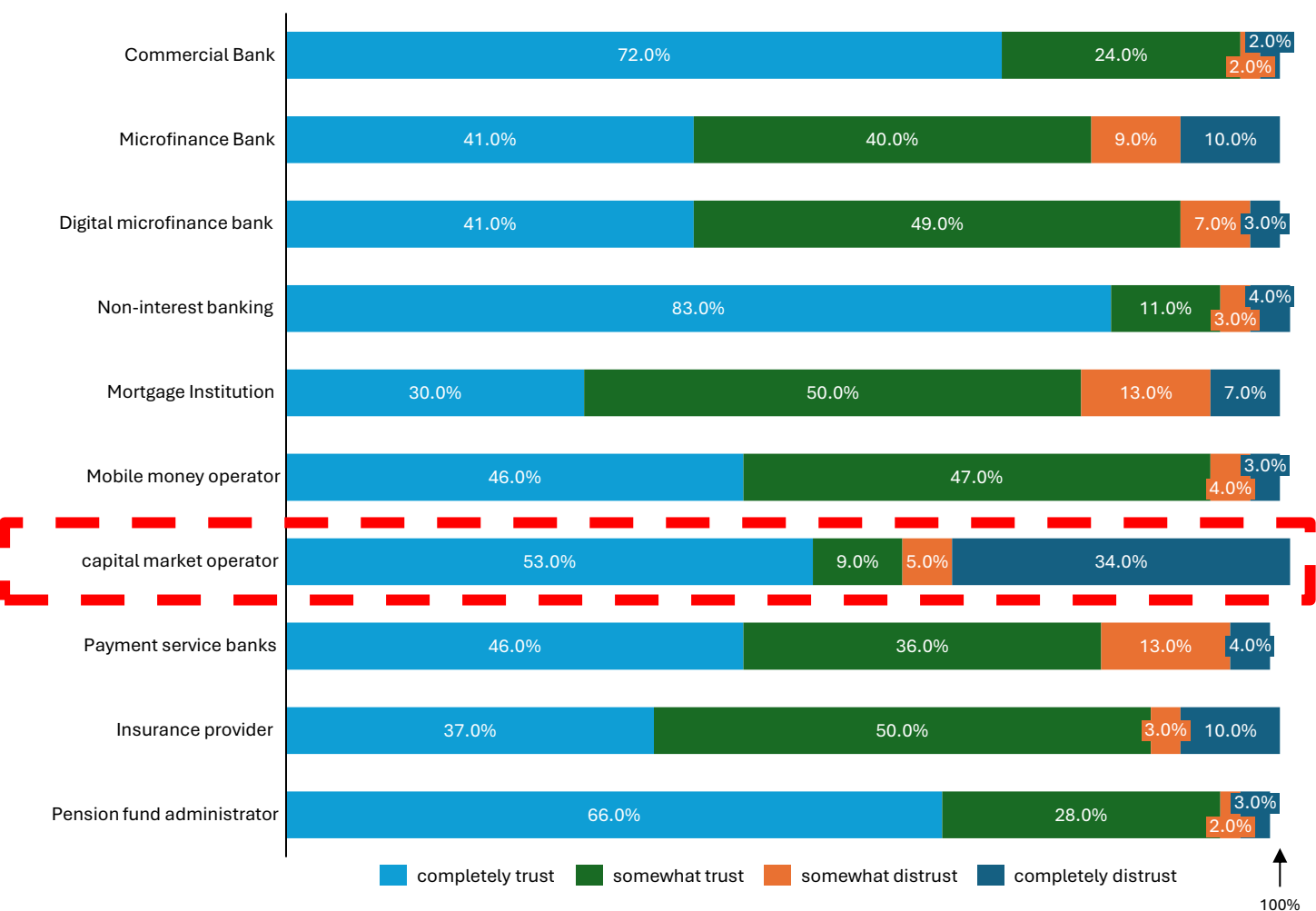


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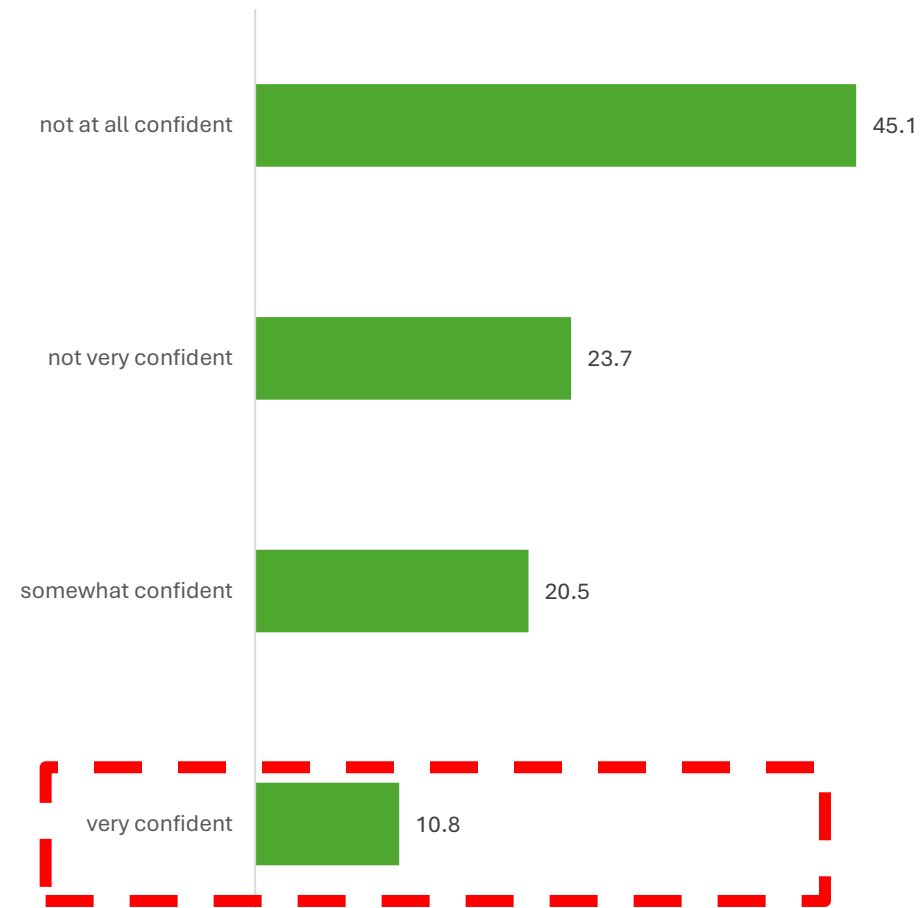
EFINA's research and data reveal three broad drivers of exclusion:

1. Distrust in financial institutions due to past losses, fraud, or lack of transparency

Level of trust of financial service providers, (% of adults)



How confident are you in investing in the Nigerian capital market? (%)



EFinA's research and data reveal three main drivers of exclusion:

2. Knowledge Gap: Low financial and investment literacy; Low perceived need; Misconceptions about who investment is for ("rich people only"); Poor understanding of risk vs. reward



- Knowledge and complexity hold back one in four. 14.3% admit they “don’t understand how to invest” and another 10.1% find it “too complicated,” totaling 24.4%
- Low perceived need and awareness. 11.5% feel they “don’t need to invest” and 11.3% “don’t know” why they should—underscoring that both attitude and awareness hurdles match or exceed fear-based objections

EFinA's research and data reveal three main drivers of exclusion:

- **3. Access and Product Fit Gap: Products not designed for low-income investors; High minimum entry thresholds; Inconvenient or intimidating onboarding processes; Rigid KYC or capital market rules discourage informal savers**

The aware-use gap is an indication of misaligned products, and/or access challenges, among other factors

Awareness and use of stock market products/services

	Aware of	Have used
Total	28%	5%
Stocks/equity/shares	16%	3%
Bonds	8%	<1%
Treasury bills	6%	1%
Collective investments or mutual funds	6%	1%
Non-interest products	5%	1%

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Practical Ways to Solve for "Why Exclusion Exists"

Operators/Providers

- **Design Inclusive Investment Products** - Low minimum investment value for CIS; Mobile-first onboarding with vernacular support; Risk-tiered offerings that match goals: safety, income, growth
- **Invest in Investor Education to demystify Investment**
 - Partner with influencers, cooperatives, faith groups to deliver relatable investment education, and leverage social media
 - Use storytelling to showcase success stories of everyday investor
 - Embedded micro-learning: Build 60-seconds, possibly gamified tutorials (in major local languages) into apps or USSD flow—e.g. "Tap to watch: How to buy your first ₦XX of Treasury Bills."
 - Consider user sandboxes where users experiment with risk-free virtual trades before committing real funds.

Regulators

- **Incorporate Inclusion KPIs in supervision/monitoring:** Require providers to report periodically on "% of customers under 35," "% of female investors," and "% in the north" etc.
- **Require every product to lead with a one-page infographic:** "What it is," "How it works," "Fees you'll pay," in simple icons and local languages.
- **Create a SEC Trust Mark** that vetted platforms can display once they meet defined transparency and redress standards.
- **Public-service campaigns:** Run short TV/radio spots in prime time: "Why every Nigerian adult should own at least ₦5,000 in investments," endorsed by respected public figures.

Parting Thoughts...

Data is superior to "Opinions"

You can't change what you don't measure - The A2F dataset can be used for in-depth analysis on a variety of topics.

Reports and datasets are available via:

- Access to Financial Services in Nigeria Survey website: www.a2f.ng
- EFInA website: www.efina.org.ng

Want specific insights? Let us know

Send a request to info@efina.org.ng