

Post Survey, Qualitative Results for EFInA Access to Financial Services in Nigeria 2016 Survey

Key Summary Findings From Focus Group Discussions

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Study Background

- The primary objective of the Post Survey Focus Group Discussions (FGD's) was to identify factors responsible for changes in the levels of access to financial services over the past two years in the selected locations.
- The findings from the FGDs would be compared with the quantitative findings from the A2F 2016 survey
- There were 12 FGDs held in 8 locations, with 8 participants per FGD, resulting in a total of 96 participants

S/N	Region	State	No. of FGD's Held
1	South West	Ekiti	1
2		Osun	1
3	North East	Yobe	1
4		Taraba	1
5	North West	Kano	2
6		Jigawa	2
7	North Central	Abuja	2
		Niger	2

Questions Administered To Respondents In South West (SW) & North East (NE)

- What financial products (formal and informal) do the respondents have?
- What were the key drivers for opening their accounts (DMB, MFB, and/or MMO) in the past 2 years?
- Negative/positive aspects of using the financial products (formal & informal) that they currently use? Main source of income of the respondents?
- Are there any (new or existing) financial institutions that have opened up closer to respondents in the last 2 years?
- Have there been government subsidies/G2P remittances in the past 2 years? And if so, who were the beneficiaries?
- How did such subsidies impact their income streams?
- Have these remittances/subsidies stopped? If so, what was the impact on their lives?
- Were there other events/ interventions that could have impacted on the economic profile of the state over the past 2 years?
- Were there other events/ interventions that could have impacted on their economic profile (income, lifestyle, employment) over the past 2 years?
- Do respondents feel that there would have been an increase in the banked population in their State in the past two years, if yes, give reasons; if no, why not?

FGD Composition In South West & North East

Region	State	No. of FGDs	Group 1 (Urban)	Group 2 (Rural)
South West	Ekiti	1	<ul style="list-style-type: none"> 36-45 years Mixed gender Opened DMB/ MFB/MMO account(s) in the past 2 years 	-
	Osun	1	<ul style="list-style-type: none"> 26-35 years Mixed gender Opened DMB/ MFB/MMO account(s) in the past 2 years 	-
North East	Yobe	1	<ul style="list-style-type: none"> 26-45 years Male Opened DMB/ MFB/MMO account(s) in the past 2 years 	-
	Taraba	1	-	<ul style="list-style-type: none"> 26-45 years Female Opened DMB/ MFB/MMO account(s) in the past 2 years

Questions Administered To Respondents in North West (NW) & North Central (NC)

- What financial products (formal and informal) do the respondents have?
- What types of accounts were held by the respondents in the past and why did they stop using the accounts?
- Were there recipients of G2P remittances or subsidies and have these remittances/subsidies stopped? If so, what was the impact on their lives?
- Do the respondents have regular/irregular income? Main source of income?
- Have there been any changes in their employment status in the past two years?
- What would encourage the respondents to start using their accounts again?
- Were there financial institutions (DMBs/MFBs/MMOs) or their branches that closed in their State in the past 2 years?
- Where do the respondents keep their money now?
- Do respondents feel that there would have been a reduction in the banked population in their State in the past 2 years? If yes, give reasons; if no, why not?



FGD Composition In North West & North Central

Region	State	No. of FGDs	Group 1 (Urban)	Group 2 (Rural)
North West	Kano	2	<ul style="list-style-type: none"> • 26-35 years • Male • Lapsed users of DMB/ MFB/MMO account(s) in the past 2 years 	<ul style="list-style-type: none"> • 26-35 years • Female • Lapsed users of DMB/ MFB/MMO account(s) in the past 2 years
	Jigawa	2	<ul style="list-style-type: none"> • 36-45 years • Female • Lapsed users of DMB/ MFB/MMO account(s) in the past 2 years) 	<ul style="list-style-type: none"> • 36-45 years • Male • Lapsed users of DMB/ MFB/ MMO account(s) in the past 2 years)
North Central	Abuja	2	<ul style="list-style-type: none"> • 26-45 years • Mixed gender • Lapsed users of DMB accounts only, in the past 2 years 	<ul style="list-style-type: none"> • 26-45 years • Mixed gender • Lapsed users of DMB accounts only, in the past 2 years
	Niger	2	<ul style="list-style-type: none"> • 26-45 years • Male • Lapsed users of DMB accounts only, in the past 2 years 	<ul style="list-style-type: none"> • 26-45 years • Female • Lapsed users of DMB accounts only, in the past 2 years

Effects Of The Current Economic Situation



Present Day Reality: Reduced Cash flows Lead To Dwindling Savings Habits

- Overall, economic recession (mainly linked to rise in dollar-Naira exchange rate, as mentioned by participants who opened DMB/MFB/MMO account(s) in Yobe urban) & increased measures at the borders, have prevented influx of 'imported goods' leading to a general rise in prices of goods & services.
- 
- Presently, 'times are hard' in Niger, Osun & Ekiti states as expressed by those who opened DMB/MFB/MMO account(s) and lapsed users of DMB accounts, due to salaries being owed to workers in the past 4-6 months. These are 'civil service' perceived states where the economy is highly dependent on salaries and wages which have consequently affected various enterprises within the states.
 - Lapsed users of DMB accounts and lapsed users of Financial Services (FS) in Abuja & Kano claimed to have family members & friends who have been laid-off their jobs due to the recent shut-down of some companies/organisations.
- 
- In this cycle of unemployment, income earners are having to share in the burdens of their unemployed relatives/friends who request for monetary gifts/allowances. This causes a significant 'negative' impact on the spending/saving abilities of many income earners.

Notable Shift In Priorities Of Individuals / Households

- Participants across all the participating urban & rural areas are in anguish considering the fact that their income does not match the continual increase in prices of goods & services at the marketplace.
- Participants stated that presently, their priorities have been rearranged. Educational pursuits by these adults have been pushed to the back burner in favour of the search for basic needs - food, shelter, clothing and children's education.
- Most participants stated that they have become more cost conscious; unnecessary expenses have been cut off (weekend hangouts, lavish social ceremonies) & relatively cheaper products/brands are sought after nowadays.



Observed Changes Surrounding Employment Status

- Most respondents claimed that there has been reduced opportunities for them to stay in paid employment.
- Although, unemployment is on the increase, the situation has resulted in 'self initiated' income-generating ventures for some respondents in the urban centers while others are engaging in menial jobs
- Most respondents in the rural areas desire to have additional income as well but are constrained by the limited opportunities within their environment.
- Given the low cash flow currently experienced by many, generated proceeds are reinvested into businesses as a substitute to savings in most cases.

Perception Of Government's Role In the Present Harsh Economic Climate

- It is worthy to note that virtually all respondents hold the present Federal Government administration responsible for high rates of unemployment, surge on 'dollar's worth', increase in prices of commodities & static minimum wage/salary despite rise in inflation.
- There is the conviction amongst respondents that the present economic situation is not the same as it was two years ago. As at that time, the situation was more bearable for many as salaries were more regular & purchasing power was high. Thus, more money was in circulation, commodities were more affordable, foreign exchange rate was fair and income was enough to live on, making it easier to save
- Prior to now, for respondents in rural Niger, unexpected expenses were taken care of by collection of overdrafts/loans from MFBs as expressed by the female lapsed users of DMBs. However, nowadays, the fear of not being able to repay borrowed funds has prevented many from further borrowings. This also reduces their cash flows.

Respondents' Say.....

I don't even have money to feed myself, not to talk of saving it somewhere. I have only been coping with the help of a friend

Mentioned across all study locations

Changes I have noticed is that everybody is doing things by themselves instead of calling the professionals to come & fix things...just because there is no cash to spare"

Mentioned across all study locations

There is increased rate of money doubling nowadays. People want quick money to cater for their needs & that is why 'MMM' hit everybody hard after its collapse...

Lapsed users of DBMs only, 26-45yrs, mixed gender, Abuja

The difference is that the prices of things/commodities we used to buy in the past two years have skyrocketed. Some have doubled while some are almost tripled & this is as a result of economic recession...meanwhile all our income stays the same!"

Male Lapsed user, Jigawa rural

You'll discover that recession in the economy has actually affected the people on the street because the group of people who are to receive salaries and allowances from the government will equally go to the market, to spend it but once the salary is not forthcoming, there will be less patronage in the marketplace

Opened DMB/ MFB/MMO account(s) in the past 2 years, 36-45 yrs, Ekiti state

The Cash Flow – Income Sources & Expenditure Profiles

Main Sources of income

- Salaries
- Proceeds from own businesses/skilled work - Tailoring, Trading, Barbing, etc.; heirloom from late family members/relations - estate.
- Menial jobs – labourers’ work at building sites, teaching home classes for students, barbing, petty trading - phone accessories, recharge card sales, etc.
- **Farming**
- Betting/Money doubling (mentioned by participants in Yobe & Niger urban centers)
- Stipends - from parents, older siblings/family members (for students & the unemployed)

Sporadic Income

- Salaries - government workers in particular
- Proceeds from own businesses/skilled work
- Menial jobs
- Stipends from parents, etc. (for students & the unemployed)

Basic expenditures

- Utility bills - rents, water supply & electricity bills
- Groceries - foodstuff, provisions, etc.
- Transportation
- Children’s tuition (for parents)
- General well-being, e.g. clothing, health, etc.

Unexpected expenses

- Participants worry about ill health, death, gifting/financial support for friends or extended family members & sudden loss of employment

- When unexpected expenses come up, participants resort to borrowing from colleagues/family members/friends or reach into their ‘meager’ savings to attend to such unforeseen expenditures. As it is the case across the board, health issues and educational concerns are not toyed with but are treated with the expected urgency the situations demand.

Perception Of Farming as a Lucrative Income-Generating Option

- According to the participants, the only sector spared by the current economic crunch is the agribusiness. Most respondents claimed that farming has been thriving over the past two years even in the midst of the economic crisis. As such, farmers (educated/uneducated) are now regarded as the 'well-to-dos' in the community. Many respondents resort to farming in addition to having other main sources of income.
- As illustrated previously, the main sources of income have become irregular hence some respondents have the fear of 'what tomorrow holds'. Some of them have resolved to continue saving whatever amount they can cope with while others have stopped saving all together



Where Money is Kept – Savings



Savings – The Present State

- Saving patterns over the past two years have drastically reduced given that most respondents do not have sufficient funds to put aside for the 'rainy' periods:

*“...due to the expensive nature of things, you don't have anything remaining to save after spending...” **mentioned across all study locations.***

- Most users of financial institutions in Ekiti & Osun relayed that it is more difficult to save at this time and when there is an opportunity to save, nearly all the time, a need arises.
- Thus, the respondents state that they are unable to save for a long time. In some cases, there is nothing to save at all given the long spell they have spent in-between paid employment.



Group (Informal) Savings Method – Trusted Savings Option

- Given a strict savings culture, some participants across all the study locations save daily, weekly or monthly via ‘Ajo’/‘Adashe’/‘Merry-go-round’ options. In Taraba rural & Yobe urban, saving in the bank could be every two weeks or monthly for the majority of respondents.



- The daily/weekly/monthly/ ‘merry-go-round’ contributions among friends/people with similar goals is deemed as the most secured form of saving by respondents. This is due to the fact that contributions are always handed over to the recipient ‘on-the-spot’.
- There is therefore no significant negative outcomes (as stated by the respondents), which could be convincing enough to dissuade the usage of this type of informal saving option.

Other Savings Options

- Another source mentioned by respondents in Osun state where money is kept is via mobile money account/wallet & 'Co-operatives' (mentioned by a few).



- A few of the lapsed users of DMBs in Niger (both urban & rural) save with or receive their monthly salaries through the MFBs. This is basically owed to the benefits of...
 - brand projection of the MFBs as a 'modernized Esusu/Ajo/Adashe' - going out to collect money from depositors
 - easy access to overdrafts
 - Friendly disposition of MFB staff to depositors



Reasons Affecting Savings Habits

- Respondents who have had bad experiences of mishandling of their savings via the informal type of savings which employ an individual as the collector, have discontinued their involvement with such informal methods.
- Many lapsed users in Kano, Jigawa, Abuja & Niger simply resorted to keeping short-lived savings in a piggy bank at home.
- For some lapsed users in Kano rural, they do not save with the banks at all because of the absence of Islamic (non-interest) banking. It was held by some respondents that financial institutions around the Northern part of the country provide services that are not in line with Islamic tenets:


“...interest is not allowed in our religion, that is why most of us turn away from banking activities” (rural respondents)



Summary: Perceived Positives & Negatives Of Formal & Informal Channels


The Channels	Positives	Negatives
<ul style="list-style-type: none"> DMBs 	<ul style="list-style-type: none"> Safety of funds Access to ATM Issuance of BVN 	<ul style="list-style-type: none"> Low capacity (staff strength & machineries) - long queues, network failure Perceived unnecessary/hidden charges
<ul style="list-style-type: none"> MFBs 	<ul style="list-style-type: none"> Easier access to loans (short and long term) and overdrafts for SMEs Low charges on loan repayment Friendly disposition towards customers 	<ul style="list-style-type: none"> Inconsistencies on dates of payments No ATMs - withdrawal is restricted to the banking hall May be short-lived - no warning before closing down Involve the Police when clients default in loan repayment
Mobile Money Accounts	<ul style="list-style-type: none"> Free access to account Ability to transfer to other banks 	<ul style="list-style-type: none"> Perceived fraudulent activities by mobile money agents
Adashe/Ajo via the collector	<ul style="list-style-type: none"> Suitable for time bound projects Simple and informal process – no need for PIN 	<ul style="list-style-type: none"> Fraud – tendency for any member/the collector to abscond with collected funds
Co-operative societies	<ul style="list-style-type: none"> Low interest on borrowings 	<ul style="list-style-type: none"> No interest on savings Inability of members to consistently repay loans thereby preventing others the benefit of accessing the loans
Piggy Bank	<ul style="list-style-type: none"> Relieves the stress of going to the bank as money is usually within reach 	<ul style="list-style-type: none"> Unsafe, i.e. prone to theft.

Respondents' Say




Getting extra money is difficult these days because everything I make goes on daily spending

Mentioned across all study locations




Consideration is given to the amount or available cash at hand before I choose the number of times (frequency) or the sum of money to save at a time...sometimes all of us in the group will agree on a certain amount

Mentioned across all study locations



The situation of the country is getting tougher given that my income cannot meet my expenses any longer. So my saving has gone down because everything has changed and you have other responsibility to take care of and so when you are saving you just have to save less in order to meet up with other needs"

Male lapsed users, Kano Urban



I will rather keep my money under my carpet....or under the pillow than go to the bank...it is too small to be taken there!

Mentioned across lapsed users of DMBs & FS, North central & North West



Frequently Utilised Financial Products & Services


- The current users of Financial Services (FS) in the South West (Ekiti & Osun) & North East (Yobe & Taraba) have opened below listed products with either/both DMBs and MFB institutions:
 - Savings
 - CurrentRespondents said that with MFBs, they are able to access 'soft' loans with their savings accounts unlike similar accounts with DMBs
- Both accounts stated above are mainly utilised for safe keeping of monthly salaries/proceeds from business transactions & cash transfers.
- The above accounts were also commonly used for the same purposes as stated by respondents who are lapsed users of FS.
- Savings account is however preferred over the current account given that it:
 - attracts relatively low service charges
 - is perceived to be less cumbersome to operate
 - offers added services targeted at children, e.g. "Kiddies' account for children's education (as mentioned in Ekiti among the current users).



Summary: Frequently Utilised (and Key Drivers of) Financial Products & Services

P&S	Positives	Negatives (Respondents will like Operators to resolve these negatives)
Savings Account	<ul style="list-style-type: none"> Keeps money for future use Receipt of updates on account status On the emotive level, receive birthday wishes as account owners 	<ul style="list-style-type: none"> Attract 'minute' interest rate that is far less than the numerous charges, e.g. for withdrawals Minimum balance limit, retained in the account
Current account	<ul style="list-style-type: none"> Opportunity for access to loan(s)/occasional overdrafts Receipt of updates on account status Allows for third party withdrawals - cues on convenience 	<ul style="list-style-type: none"> Loans require collateral Attracts high charges Tedious requirements to open & operate
e-banking	<ul style="list-style-type: none"> Online transactions made easy - easy purchases, cash transfers 24/7 easy transactions; Not time bound 	<ul style="list-style-type: none"> Fear of being hacked Unstable internet connectivity Excessive charges
POS	<ul style="list-style-type: none"> Physical transactions but cashless No cash theft 	
Bank overdraft (Niger rural - Paiko)	<ul style="list-style-type: none"> Less charges Convenient mode of repayment 	<ul style="list-style-type: none"> Attract interest - respondents believed that overdraft needs not attract interest since it is often short term & the underlying account is still active
Micro credit ("sharp-sharp" MFB loans in Ekiti)	<ul style="list-style-type: none"> Fuels SMEs Less charges Convenient mode of repayment 	


Respondents' Say.....



...charges are less and easier to pay back at the MFBS...


I stopped using savings account in various DMBs. Before I stopped, I could think of no benefit aside it only helps me to keep my money

Mentioned across study locations




It is an insult for me not to be able to withdraw all my money as I like! They will say, you must leave some money in the account....MY money!

Mentioned across all study locations



The financial institutions, banks in particular have gone far in terms of technology. There is more security now with the BVN introduced for depositors ...I like the screening at the entrance as well...& mobile app. I heard they also do 'zero' account opening...

Lapsed users of DBMs only, 26-45yrs, mixed gender, Abuja urban



We do not have any financial institution here in Sunkani, we have to get to Jalingo before we make any transactions and we are not happy because we have to pay transport fare and there is the cost of transportation".

Opened account in the past two years, female, 26-45yrs, Taraba rural.

Lapsed Users – Potential Action Points For FIs To Regain Their Customers

- Across all the locations visited, the below listed are recognized as the ‘must-dos’ to enthruse repeat patronage of the financial institutions:

Cordial staff-customer relationship

- First contact experience/first impression creates an emotional bond between the financial institutions & the customers. This relationship aids easy adoption of products & services
- Staff of FIs should be trained appropriately.

Develop innovative & accessible loans especially for low income segments

- This will significantly assist micro businesses and individuals to create wealth, meet their needs and aid employment indices.

Address challenges with IT platforms (systems availability & ATM proliferation)

- Long queues seen in & around the bank premises mostly in Jigawa & Kano.
- The respondents in general expect a flawless network service. Both lapsed & current users expressed dissatisfaction with inadequate number of ATMs, especially in the rural areas.

Offer reasonable & transparent charges on products & services

- Perceived ‘unrealistic/ hidden charges’ should be avoided.
- Most respondents appreciate transparency in business relationships with their Financial Service providers.

Needs & Expectations In Rural Areas from FIs

Increased visibility of existing branches

Set-up of additional branches of financial institutions

Introduction of Non-Interest Finance banking products - Kano rural

- Availability of more financial institutions with appealing offerings will induce patronage in the rural areas.
- Agent networks can also drive uptake & usage of financial services in rural areas
- Provision of ethical, non-interest finance products & services in order to provide options for customers.

Respondents' Perception Of Financial Institutions



- For most respondents, the financial institutions they utilise are limited to DMBs & MFBs only, as they could readily recall different names of DMBs & a few MFBs.
- For respondents in Niger urban only, some lapsed male users of DMBs added the Insurance sector to the list of FIs they utilise.
- Mortgage Banks were mentioned by current users of DMB/MFB/MMO in Ekiti as well as lapsed users in Abuja.
- MFBs seem to hold more appeal among lapsed users basically due to perceived simplicity in their approach & operations:
 - The concept of the MFB staff/sales agents collecting deposits from customers' locations was deemed laudable by almost all respondents, regardless of whether MFBs are patronised or not by the respondents.
 - Access to loans &/or opening of accounts at MFBs were deemed to be 'easy'.
 - It was also stated that loans/overdrafts attract relatively low charges from MFBs when compared to same from the DMBs.
 - MFBs scored high in terms of their 'warm' staff-customer relationships.

- Overall, the DMBs are not significantly trusted as the belief is that the banks are mainly “...out to make money”. This belief was noticeable amongst lapsed users and even current users.
- Many respondents remembered the past financial mergers in the banking industry which liquidated popular DMBs, causing depositors to lose their monies.
- Lapsed users of DMBs in Abuja & Niger nonetheless expressed that they are lucky not to be affected in any way since they were not operating accounts with defunct DMBs.
- This perception – mistrust of the banking segment, was seen as a major cause in the decline of the banked, within the North West (Kano & Jigawa) & North Central (Abuja & Niger).

- The opposite stance was noticed by current users in Yobe urban where respondents transact & save continually with the DMBs.
- Virtually all the current users in Taraba urban do not have any knowledge of MFBs or Mobile Money & its operators.
- There is also very little awareness about MMOs among current users in the South West (Ekiti & Osun) as most confuse it with e/mobile banking. In Osun state however, some respondents claimed to have MMO accounts but stated that they do not use it very often.
- The reasons raised for the positive perception about DMBs include:
 - Size of DMBs – above stated respondents feel that DMBs are more reliable given their size. Size in this context is interpreted to mean multiple branches & capital base

Financial Institutions – Openings In Respondents' Vicinities Within The Past Two Years



Perceived Reduction In Financial Institutions' Expansion Drive

- Most of the lapsed users in the North Central (Abuja & Niger) & current users in the North East (Yobe & Taraba) claimed that there are no up-and-coming or shut down financial institution/s around their vicinity in the past two years.
- However, in Yobe urban, current users mentioned that a microfinance bank named 'DEC' opened two years ago but later shut down due to incessant 'Boko Haram' crises. The closure of DEC MFB impacted negatively in that vicinity as it brought about loss of jobs and increase in unemployment rate.
- In the South West (Ekiti & Osun), fewer financial institutions are opening newly (Mortgage, CBN Liaison Office), while more are closing down. This was especially noted in Ekiti state, where current users confirmed that the banks with multiple branches are sizing down to one branch e.g. Access Bank.
- Few lapsed users in Abuja & Niger noticed an increased visibility for DMBs i.e. new branches opened & new ATMs installed.

Respondents' Perception Of The Banking Sector



The Banking Sector – Positive Aspects

- Technology advancement is liked about the banking industry, as stated by almost all respondents.
- Some of the new trends noticed within the banking institutions include e-banking & usage of USSD codes for transfers.
- It was mentioned by the lapsed users of DMBs in Kano urban that banks now offer advisory services/partnering with businesses i.e. increase in loans or/& grants.



- **Slow service delivery**
 - Turnaround time in addressing enquiries/grievances is deemed to be slow.
- **Excessive charges on Products & Services**
 - Most respondents feel that the bank charges are not commensurate with the sums deposited: *“They (banks) will charge me almost N200 for a/some service/s and later pay me an interest of N5 on my deposit...imagine!”*
- **Capacity incompetence**
 - Inference from the lapsed users of DMBs in Abuja & Niger is that the banking industry lacks the capacity (i.e. the staff strength & machineries) to cater to the needs of the entire population leading to long queues, among other challenges.
- **‘Lack of transparency’ with Products & Services**
 - This is with reference to ‘hidden charges’ on products & services

Increased Awareness Of & Access To Banks - But Reduced Patronage In The Past Two Years

- Current users across Yobe urban & Taraba rural opine that there has been an increase in the banked population. These respondents claim that many people living in these states have had to open bank accounts in the past few years due to the following:
 - Visible structural, skills & technology acquisition within the banks have led to gainful employment for some youths.
 - Debut of Non Governmental Organisations in Taraba state - UNICEF, Red Cross, WHO, Action Against Hunger, MFS, Peace Corps & FADAMA - has also contributed to the general economic growth within the state as these NGOs provide employment opportunities.
 - Government grants: 'N-Power' – government-initiated program deployed to employ as many qualified youths as possible. These youths needed to open bank accounts in order to receive their salaries.
 - Most rural dwellers now save with the banks, to curb theft.
 - Although, bank branches are sparsely dispersed around the villages in these regions, the banked often travel to urban centers to make use of selected banks.
 - Participants in Yobe urban strongly expressed opinions that these rural dwellers cause long queues at ATMs and banking halls in the urban regions.

Increased Awareness Of & Access To Banks - But Reduced Patronage In The Past 2 Years CONT'D

- Lapsed users in both Kano urban and rural are of the opinion that the declining patronage of banks is caused by 'low cash flow' in circulation.
- Another pull back in bank patronage within Kano rural (lapsed users) is the practice of 'interest rates' by the banks. It is held that this practice is not in line with Islamic tenets.
- Lapsed users in Abuja & Niger state along with current users in Ekiti & Osun pointed out that there is an increase in bank awareness level.
- This is linked to intensive marketing activities embarked on by the banks within their states. This, in itself was interpreted to have led to opening of new accounts, e.g. 'Zero Naira opening balance'.
- Osun state respondents mentioned that the State has limited number of bank branches and most of these are situated in the heart of the town, far from most residential areas.
- Nonetheless, these same respondents affirmed that despite opening bank accounts, the activities around bank products & services are low, over the past 2 years. This is attributed to reduced flow & value of money at hand. It has thus become difficult to sustain the accounts when there is little/no money to save:

"...people don't have enough money to save in the bank these days....".



Respondents' Say.....

*Policies at the commercial banks are too discouraging...they are also less efficient because there are too many depositors against the staff or machines available - **Abuja urban, lapsed users of DBMs only, mixed gender***

*But I like the way they send SMS alerts on all transactions & are polite at the door (door security staff) before entering the banking hall
Mentioned across all study locations*

*Where is the money to take to the bank?...many opened bank account then because the banks were worrying them but stopped after a while because there is no money (economic recession) to save...
Mentioned across Abuja & Niger*

...

*The MFBs adopt the 'Esusu' method & that is why many business people would want to associate with them. They receive as low as N600-N700 daily saving which I can't take to the bank because of the distance. The MFBs will come to my shop to collect this small money unlike the big banks that are waiting for me to come & give them my money – **Male, 26-45yrs Lapsed user, Niger urban***

Key Drivers To Opening DMB Accounts In The Past Two Years



Respondents' Say.....

- *I opened the account for my salary & to be able to keep some of the profits from my business*
- *For me, it's for nothing more than to be able to receive money from my friends and relatives living afar*
- *Keeping money at home attracts theft but in the bank even when they are robbed, they still will pay you your money back*

Opened account in the past 2 years, 26-45yrs, female, Taraba rural



Mine was opened because I started a new business (farming)...

Opened account in the past 2 years, 26-45yrs, male, Yobe urban

I opened in order to have access to loan...was told that if you keep money with them for a while & you are consistent...then maybe you could get a loan

Mentioned across both North East & South West



So, that I can be keeping money for anytime I will need & so that I don't spend it on something else...

The government wants us to open bank account as civil servants

Mixed gender, 26-35yrs Opened account in the past 2 years, Osun urban

Respondents' Perception Of Government Subsidies/G2P Remittances



Perception About Government Subsidies & Remittances in the Past Two Years

- In Ekiti & Osun, for some respondents who opened accounts in the Past 2 years, the government subsidy they were aware of is related to the withdrawal of government subsidy on petroleum products. This may not be unconnected with its hype during the tenure of the immediate past administration.
- Other respondents in these areas stated that to their best knowledge, education and agricultural sectors are currently enjoying subsidies provided by the government. Farmers are said to be benefiting from agricultural subsidy-initiated programs with the sale of low priced fertilizers, while the education sector has witnessed a drop in its grants: *“they have stopped free education in Ekiti state”*.
- None of the current user respondents in these states has benefited from these government programs and could hardly tell of any beneficiary/(ies) of the programs.



Perception About Government Subsidies & Remittances In The Past Two Years CONT'D

- The opposite was the case with males, current users in Yobe and lapsed users of DMBs in both Minna & Abuja urban, as 'Sure-P' & 'N-Power' Social Investment Programs (SIP) are quite popular as stated.
- Minna respondents who are lapsed users of DMBs (males) argued that these programs are designed for rural dwellers. Other respondents across the region maintained the Sure-P or N-Power programs are both meant for urban & rural dwellers.
- A few lapsed users of DMBs in Abuja, Niger & Kano urban testified to have personally benefited from these government programs. Most of the male current users in Yobe urban stated that they have close relatives & friends who have benefitted or are benefiting from both programs even though they have not personally benefitted from the programs.

Perception About Government Subsidies & Remittances In The Past Two Years CONT'D

- Similarly, respondents who are lapsed users of DMBs in Abuja rural & Niger claimed not to have personally benefited from either the present or past Social Investment Programs (SIPs) & definitely not in the past two years.
- Current users in Taraba rural are not aware of N-Power & Sure-P even as both programs were deployed in the state's capital city.
- A few in the state have however heard about distribution of free bags of fertilizer by the local government to farmers. Respondents are also aware of some other empowerment programs known to target women & youths (students) but are organized by NGOs. None could recall the names/title of any of these NGO initiated programs but could list the names of the NGOs.
- Some of the NGOs that took credit on these social programs in Taraba state were listed as UNICEF, Red Cross, WHO, Action Against Hunger, MFS, Peace Corps & FADAMA.

Other Notable Interventions By The Government

Some government initiated programs listed by the respondents, to have been in existence for over 2 years in Kano (at the local government level) are as follows:

- Skills & Acquisition Women centers' – where women are trained on various skills to start up a business
- Youth empowerment programs e.g. free computer trainings
- Deployment of new vehicles (cars & tricycles) for transportation business - installment payment are then effected by the beneficiaries over a period of time
- Educational scholarship to study locally and international
- Distribution of free bags of fertilizer and farming equipment to farmers at the rural areas


The respondents Jigawa stated that the government offers the following programs:

- Provision of foods for pupils in primary and secondary schools
- Youth empowerment programs e.g. free computer trainings
- Subsidised bill payments at government owned hospitals
- Educational scholarship to study locally and international
- Distribution of free bags of fertilisers and farming equipment to farmers at the rural areas


Focus On N-Power Government Program

- According to the respondents who were beneficiaries, they stated that the N-Power program was deployed in the last quarter of 2016 by the present administration while the Sure-P was said to have ended with the preceding government.
- Awareness of 'N-Power' program is escalated via TV adverts, on-line & social media posts & via word of mouth (WOM) methodologies.
- Selected beneficiaries register on line, receive necessary training in a field of choice & are then deployed to 'serve' (the government) for 2 years while on a monthly stipend of N30,000.
- At the end of the 2 years contract, participants start their own independent businesses, utilising their saved proceeds as the capital.
- The N-Program is however, discredited for targeting only the educated (graduates) in Abuja. Thus, it was suggested that government interventions be extended to develop more of the agricultural sector.
- Opinion of many respondents on the above stance is that farming has been proven as a thriving business in the face of economic crisis, hence it will be right to assume that farming will boost the current status of the economic states and the nation at large.
- In Abuja rural (Gwagwalada) & Niger state - where a great number of residents & respondents are farmers, appeal was made to government to 'remember' them with respect to initiative programs.


Respondents' Say.....




"I gained from the scholarship because I'm an indigene of Kano, they give stipends; they have certain amounts that they give, they have a scholarship board when you buy the form, if you are verified to be an indigene, after every session they give you certain amount of money"
Male lapsed user, Kano urban




"There is that one they gave to rice farmers. They give you the seed and the fertilizer and even the chemicals/insecticides. If you finish at the end, you pay for those things that were given to you" **Male Lapsed user, Jigawa rural**



We have so many NGOs that have opened offices here and have employed some of our people and this has reduced to an extent, rate of jobless people"
Male, 26-45yrs, DMB owner, Damaturu



Whether the NGOs or government grants, you cannot receive money from them without having a bank account"
Female, 26-45yrs, DMB owner, Sunkani, Jalingo



"In Jigawa state, the government has given livestock to women to rear. After sometime, they collect and give it to another set of women and then leave the new born ones to the first set and it becomes their own. They also give cattle that are used in farming to farmers" **Male Lapsed user, Jigawa rural**

Summary of Findings: South West (Ekiti and Osun)

Quantitative Survey (Comparison of A2F 2016 and A2F 2014)

- **Ekiti:** Banked segment up by 21.5%, Reduction in Excluded and Informal segments
- **Osun:** Banked segment up by 15.3%, Reduction in Excluded and Informal segments

Post Survey FGDs

- According to the respondents, both Ekiti and Osun are heavily reliant on government as the main employer and source of subsidised funds/ resources.
- At the start of the current economic crisis, many residents relied on remittances/gifts from their civil servant relatives/friends and government sponsored initiatives as quick ways to access cheap funds – in both cases, individuals needed to open bank accounts to either benefit from government funds or receive transfers from friends and relatives.
- As the economic situation worsened, the state governments fell behind in their obligations e.g. payment of salaries. Majority of persons who relied on the government funded ecosystem, were forced to look for alternative sources of livelihood including reaching out to friends and colleagues beyond their states and also getting involved in “get rich quick” schemes like ‘MMM’. These alternatives required the individuals to open banks accounts through which they could receive funds.

Based on this, it can be stated that a combination of government interventions in the earlier part of the past two years and the ensuing economic crisis contributed significantly to the increased number of bank accounts in the past 2 years.

Quantitative Survey (Comparison of A2F 2016 and A2F 2014)

- **Yobe:** 20.5% increase in Banked segment, 35.9% reduction in Excluded segment
- **Taraba:** 11.1% increase in Banked segment, 9.1% reduction in Formal Other segment

Post Survey FGDs

Respondents from the two states believe that there has been an increase in the number of bank accounts opened in the past two years due to the following;

- There is increased visibility of financial institutions within their communities
- Increased activities of NGOs especially in Taraba state - UNICEF, Red Cross, WHO, Action Against Hunger, MFS, Peace Corps & FADAMA – these have provided aid and additional employment opportunities leading to improved financial livelihoods.
- Government initiatives like ‘N-Power’ Job Creation Scheme for fresh graduates, where all potential beneficiaries must open up bank accounts in order to receive funds from government
- Increasing insecurity/ crime, which has forced individuals to turn to banks as a means of securing their money.

Increased NGO activities and government initiatives within the state have not only forced many individuals to open up bank accounts prior to accessing any potential benefits but these have also contributed to improved financial literacy, which has led to individuals consciously seeking out bank services.

Summary Of Findings: North Central (Abuja and Niger)

Quantitative Survey (Comparison of A2F 2016 and A2F 2014)

- **Abuja:** 21.6% reduction in Banked segment, 13.7% Increase in Formal Other Segment
- **Niger:** 16.7% reduction in Banked segment, 32.2% increase in Excluded Segment

Post Survey FGDs

- Despite increasing awareness of financial institutions and products within these two states, most respondents believe that patronage of financial institutions has declined.
- The North Central states especially Abuja have always been a huge attraction for fresh graduates and other individuals looking for opportunities to make 'easy money'. The current recession and ensuing economic conditions have limited available opportunities which has left many new residents facing a stark reality and barely able to make enough money to meet their daily needs.
- Many of these new residents had bank accounts in the past but abandoned them when situations got tough and they are unable to spare any funds to keep in the bank. Those respondents that did not have accounts in the past also find themselves in the same situation i.e. not being able to make enough money to justify opening up an account.

The status of the North Central especially Abuja as the land of opportunity has left many individuals stranded during these difficult economic times and this has significantly contributed to the decline in usage of financial institutions as many individuals consider their dwindling cash inflows too small to justify using a bank account. Increase in unemployment rate forced many companies to shut down, leading to smaller disposable incomes across many households.

Quantitative Survey (Comparison of A2F 2016 and A2F 2014)

- **Kano:** Reduction in Banked + Formal Other segments, 28.7% increase in Excluded segment
- **Jigawa:** Reduction in Banked + Formal Other segments, 31.2% increase in Excluded segment

Post Survey FGDs

The respondents believe that there has been a decline in the number of persons patronising banks, for the following reasons:

- Massive job losses within the states have left many without sufficient income, hence leading to their abandoning existing accounts
- Increasing inflation on basic necessities has put more pressure on limited resources, leaving respondents with 'close to nothing' to justify using bank accounts
- With minimal finances, most individuals prefer to have cash close to them (at home or on them) where they can easily access same, in case any opportunities come up. The increasing bank charges also discourage those with smaller amounts of money from using bank accounts as they would rather avoid losing any more funds via applied charges.
- In the rural areas, there appears to be an increasing number of individuals who are shunning financial institutions simply because they do not have relevant products such as non-interest finance services.

THANK YOU