Key Findings:

EFInA Access to Financial Services in Nigeria 2020 Survey

June 3, 2021
Contents

A Background – Objectives & Methodology
B Nigeria at a Glance
C Impact of COVID-19
D Financial Inclusion and Drivers
E Beyond Financial Inclusion
F Financial Inclusion Indicators (Financial Access Strands)
G National Financial Inclusion Strategy (NFIS) Targets
H Excluded Population
I Conclusion/Key Take Outs
Background
Objectives of A2F 2020 Survey

- To measure the levels of financial inclusion (i.e. levels of access/usage of financial products and services – both formal and informal)

- Measure trends in access to and usage of financial services in Nigeria

- Understand Nigerians’ financial behaviours, including various products/services used to meet their financial needs

- Understand financial health of Nigerians

- Provide credible data that can highlight opportunities for policy reform and market opportunities for financial service providers
## Coverage and methodology of the A2F 2020 Survey

### Design
- Provided by the National Bureau of Statistics (NBS)
- Sampling of respondents was based on equal representation (around 750 respondents) per state
- Allows for statistically robust headline indicators of financial access at the state, regional and national level

### Coverage
- Nationally representative sample of Nigerian adults (18+) across all 36 States and FCT Abuja
- Achieved 27,938 interviews (99% of target sample (28,380)), slightly high compared to 2018
- The survey also includes 2 booster samples for Kaduna state (4600 respondents) and the teen (15-17) population which are not covered in this report
- Household listing and data collection was conducted from November 2020 to February 2021 by the Research Firm - Ipsos Nigeria, with supervision from the National Bureau of Statistics (NBS)

### Questionnaire
- The questionnaire (in English), was translated into and administered in Hausa, Yoruba, Igbo and Pidgin English

### Results
- Results were weighted by the NBS to provide for the total adult population
- Also benchmarked to national population estimates for verification
Nigeria at a Glance
Nigeria’s high rural, female, youth, and dependent adult population has implications for financial inclusion

The Nigerian adult population (18 years and above) is 106 million

Of this adult population:
- About two thirds (70m) live in rural areas
- 59m (55%) are 35 years and younger
- 20m adults (19%) have no formal education
- 4.9 average household size
- 1.6 average income earners per household

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Nigerian economy remains under strain

- Growth rate for the first half of 2020 was lower by 4.3 percentage points than in 2019
- Sharp GDP contractions are as a result of the collapse in oil prices and pandemic-induced lockdowns
- Inflation is on the rise and there is tight forex liquidity

Source: NBS - Nigerian Gross Domestic Product Report (Expenditure and Income approach) Q2, 2020
As the ailing economy continues to negatively impact on livelihoods, the pandemic seems to be turning retrenchment into entrepreneurship

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal sector</td>
<td>7%</td>
<td>8%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Own business (non-farming)</td>
<td>16.3%</td>
<td>16.7%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Rely mainly on farming</td>
<td>20.3%</td>
<td>23.4%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Own business (farming)</td>
<td>11.5%</td>
<td>11.2%</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Own business (other services)</td>
<td>14.7%</td>
<td>11.9%</td>
<td>+2.8%</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Economic challenges and retrenchments could have resulted in more micro business owners, mainly within the service sector.

- **49.3 million Business owners**
  - **+5m**
  - **75.3%** 37.1m individual entrepreneurs
  - **22.1%** 10.4m business owners with employees

- **Important contribution to employment**
  - Employing **33.2 million people (excluding owners)**
  - Creating about **70.3 million jobs including owners**

- **Driven by:**
  1. Service (42.1%)
  2. Trade (33.0%)
  3. Agriculture (28.3%)
  4. Industrial (6.2%)

- **Micro enterprises (less than 10 employees) = 96%**
- **Small enterprises (10 – 49 employees) = 1%**

Source: EFInA Access to Financial Services in Nigeria 2020 survey
86 million (80%) adults’ livelihoods were negatively affected by the pandemic.

- Got retrenched: 7%
- Stopped working for some time: 23%
- Income reduced: 63%
- Same as before: 14%
- Benefits reduced: 1%
- Income increased: 2%
- Unable to pay staff wages: 2%
- Could not operate due to restrictions: 23%
- Other: 4%
- Do not know: 4%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Financial Inclusion
1. Banking sector: Uptake and Usage
Bank growth is driven by use of digital financial services, savings, remittances, and agents

<table>
<thead>
<tr>
<th></th>
<th>Total population 96 million</th>
<th>Total population 100 million</th>
<th>Total population 106 million</th>
<th>% DIFF (2018-2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banked population</td>
<td>38%</td>
<td>40%</td>
<td>45%</td>
<td>+5%</td>
</tr>
<tr>
<td>Remittances</td>
<td>24%</td>
<td>22%</td>
<td>25%</td>
<td>+3%</td>
</tr>
<tr>
<td>Savings account</td>
<td>28%</td>
<td>21%</td>
<td>27%</td>
<td>+6%</td>
</tr>
<tr>
<td>Payments</td>
<td>12%</td>
<td>16%</td>
<td>29%</td>
<td>+13%</td>
</tr>
<tr>
<td>Receive income</td>
<td>8%</td>
<td>10%</td>
<td>12%</td>
<td>+2%</td>
</tr>
<tr>
<td>Loan with a bank</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
<td>+1%</td>
</tr>
<tr>
<td>Banking agents</td>
<td>3%</td>
<td>3%</td>
<td>19%</td>
<td>+16%</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Banking: Access to banks, perceptions about banking, and low/irregular income are the biggest obstacles to having a bank account.
2. Other Formal Financial Products / Services: Uptake and Usage
Less than 30% of adult Nigerians have or use products or services from non-bank formal financial institutions

![Other formal non-bank (%)](chart)

### Change in select categories (%)

- **Financial service agents**: 
  - 2020: 30% 
  - 2018: 29% 
  - Change: 24%

- **Pension**: 
  - 2020: 7% 
  - 2018: 2% 
  - Change: 5%

- **Mobile money**: 
  - 2020: 4% 
  - 2018: 3% 
  - Change: 1%

- **Insurance**: 
  - 2020: 2% 
  - 2018: 2% 
  - Change: 0%

- **Microfinance bank**: 
  - 2020: 2% 
  - 2018: 3% 
  - Change: -1%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Lack of awareness and suitability of products are main barriers to non-bank formal financial services

<table>
<thead>
<tr>
<th>Awareness (%)</th>
<th>Reasons for not using mobile money (%)</th>
<th>Reasons for not being insured (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware of micro pension plan: 92% Yes, 8% No</td>
<td>No reason: 30%</td>
<td>I have nothing to insure: 23%</td>
</tr>
<tr>
<td>Aware of micro insurance: 88% Yes, 12% No</td>
<td>Don't know what mobile money is: 28%</td>
<td>I do not believe in insurance: 20%</td>
</tr>
<tr>
<td>Aware of mobile money: 78% Yes, 22% No</td>
<td>Use other ways: 21%</td>
<td>No reason: 19%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cant afford insurance: 16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Haven't thought about it yet: 16%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not sure about the benefits: 13%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Religious reasons: 6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of information: 9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Do not trust insurance firms: 4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>They do not settle claims: 3%</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
3. Informal Financial Products / Services: Uptake and Usage
A third of Nigerians use informal financial services to manage some of their financial needs. The number of adults using informal services increased by 5.3 million between 2018 and 2020.
Use of savings, remittances and ownership of transactional accounts has increased since 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactions</td>
<td>41</td>
<td>45</td>
</tr>
<tr>
<td>Savings</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>Remittances</td>
<td>43</td>
<td>45</td>
</tr>
<tr>
<td>Credit</td>
<td>31</td>
<td>27</td>
</tr>
<tr>
<td>Insurance</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

*Savings* includes saving at home and with family and friends.

*Credit* includes borrowing from family and friends.

*Transaction* captures those who have access to/use formal transactional accounts-commercial banks, microfinance banks, mobile money accounts.

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Beyond Financial Inclusion

Financial needs, health & capabilities
Financial Needs

1. Digital use
2. Meeting goals
3. Liquidity
4. Resilience
Financial needs framework

Need: A collection of use cases that can be fulfilled by financial services

Transfer of value
Send money or digital value from one person to another

Meeting goals
Achieve life objectives or obligations that require funding across income cycles

Liquidity
The need to meet expenses in each income cycle

Resilience
The ability to deal with unexpected shocks that have a financial impact

For an example: Everyone expresses financial use cases, pursued through financial devices

- Cash
- Medical insurance
- Relatives
- Loan

Child is sick

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Transfer of value/Digital usage

How do people receive and make payments?
100% of the adult population expressed had experienced at least one of the use cases categorised as transfer of value in the past 12 months.

### Transfer of money

<table>
<thead>
<tr>
<th>Use Case</th>
<th>Cash (100%)</th>
<th>Digital (28%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments</td>
<td>100%</td>
<td>24%</td>
</tr>
<tr>
<td>Income</td>
<td>86%</td>
<td>13%</td>
</tr>
<tr>
<td>Remittances</td>
<td>45%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Adult population (106 million)

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Significant increase in digital usage shows positive moves in embracing digitization. About 60% of adults with digital accounts use digital services.

<table>
<thead>
<tr>
<th></th>
<th>2018 100M</th>
<th>2020 106M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have access to mobile phone (own or borrow)</td>
<td>85%</td>
<td>89%</td>
</tr>
<tr>
<td>Ever accessed a digital stored value account</td>
<td>39%</td>
<td>46%</td>
</tr>
<tr>
<td>Own a phone</td>
<td>69%</td>
<td>81%</td>
</tr>
<tr>
<td>Active digital stored-value account users</td>
<td>41%</td>
<td>45%</td>
</tr>
<tr>
<td>Active digital financial services users</td>
<td>16%</td>
<td>28%</td>
</tr>
</tbody>
</table>
Liquidity

How do people manage liquidity?
72% of the adult population experienced an episode of liquidity distress in the past 12 months

Liquidity distress is defined as being unable to balance income and expenses. Severe – more than one month, some distress – once in the past year

Source: EFInA Access to Financial Services in Nigeria 2020 survey
About 40% of distressed adults did nothing or readjusted their expenses to manage liquidity issues.

<table>
<thead>
<tr>
<th>%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Did nothing specific</td>
<td>20</td>
</tr>
<tr>
<td>Cut down on other expenses</td>
<td>20</td>
</tr>
<tr>
<td>Used savings from bank or other financial institution</td>
<td>14</td>
</tr>
<tr>
<td>Informal institution such as savings group, village association etc</td>
<td>2</td>
</tr>
<tr>
<td>Received gifts/donations/contributions from friends/family</td>
<td>15</td>
</tr>
<tr>
<td>Sold asset(s)</td>
<td>20</td>
</tr>
<tr>
<td>Borrowed from family/friends</td>
<td>10</td>
</tr>
<tr>
<td>Borrowed money from formal and/or informal financial institution</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
</tbody>
</table>

24% used financial mechanisms when they couldn’t meet their regular spending needs.

33.9% used physical and social mechanisms.

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Meeting goals

How do people meet goals?
About 73% of adults have specific life goals they are currently trying to meet

% of adults trying to meet goals

Source: EFInA Access to Financial Services in Nigeria 2020 survey

Expressed goals (%)

- Investing in business: 51%
- Investing in land/apartment/building: 30%
- Invest in education: 10%
- Buying asset: 4%
- Paying for event: 4%
- Other: 1%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Only 12% of Nigerians report using formal savings to meet goals

<table>
<thead>
<tr>
<th>How are the goals being met (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a goal but did nothing in the past 12 months</td>
</tr>
<tr>
<td>Worked more or got additional jobs</td>
</tr>
<tr>
<td>Cut back on my expenses</td>
</tr>
<tr>
<td>Formal savings</td>
</tr>
<tr>
<td>Sold assets</td>
</tr>
<tr>
<td>Used savings held in a secret hiding place</td>
</tr>
<tr>
<td>Used savings held with friends or family</td>
</tr>
<tr>
<td>Borrowed from informal institutions</td>
</tr>
<tr>
<td>Used savings from savings group</td>
</tr>
<tr>
<td>Got money or other assistance from community</td>
</tr>
<tr>
<td>Borrowed from formal institution</td>
</tr>
</tbody>
</table>

- 26% do not have a plan or have not started to work towards their goals
- About 40% use non-financial mechanisms
- 23% use some sort of savings

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Resilience

How do people manage/cope with risks?
About 3 out of 5 adults experienced a financial shock or an event that had a large negative impact on their finances in the past 12 months, mainly driven by economic and health related shocks.

- 59% of adults who experienced financial shocks
- 42% of adults who did not experience financial shocks

### Risks experienced (%)

- Serious illness of a household member: 20%
- Price increases: 19%
- Recession/bad economy: 13%
- Loss of job/income due to COVID-19: 13%
- Failure of business: 8%
- Death of a relative: 7%
- Assist family/friends with money: 5%
- Member of household lost job/income: 3%
- Agricultural crop/livestock destroyed: 2%
- Maintenance of business equipments: 2%
- Theft of agricultural crop/livestock: 1%
- Disability due to accident/illness: 1%
- Theft of business stock/goods: 1%
- Theft of household property: 1%
- Loss of household goods: 1%
- Other: 2%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Nigerians were more likely to do nothing, sell assets, or cut down on expenses than to use savings to cope with these crises

<table>
<thead>
<tr>
<th>Coping mechanism (%)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did nothing</td>
<td>19.9</td>
</tr>
<tr>
<td>Sold assets to get money</td>
<td>16.4</td>
</tr>
<tr>
<td>Cut down on non-food expenses</td>
<td>15</td>
</tr>
<tr>
<td>Cut down on food expenses</td>
<td>9.6</td>
</tr>
<tr>
<td>Borrowed money from friend/family</td>
<td>9.5</td>
</tr>
<tr>
<td>Used savings from formal institution</td>
<td>8.7</td>
</tr>
<tr>
<td>Savings from informal groups</td>
<td>4.1</td>
</tr>
<tr>
<td>Borrowed - formal/informal</td>
<td>4</td>
</tr>
<tr>
<td>Cancelled other policies</td>
<td>3.4</td>
</tr>
<tr>
<td>Waited/asked for donations</td>
<td>2.6</td>
</tr>
<tr>
<td>Comparing prices to get best deal</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Financial Health

1. Spend score
2. Save score
3. Plan Score
4. Ability to cope with risk score
5. FinHealth Score (overall)
Only about 1 in 4 Nigerian adults (27%) are considered "financially healthy"

### FinHealth dimensions

<table>
<thead>
<tr>
<th>Ability to manage day to day (spend score)</th>
<th>Low score</th>
<th>Medium</th>
<th>High score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No trouble making money last, plan for allocating money, never went without food</td>
<td>61%</td>
<td>11%</td>
<td>28%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Build and maintain reserves (save score)</th>
<th>Low score</th>
<th>Medium</th>
<th>High score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Save money, invest in assets</td>
<td>23%</td>
<td>59%</td>
<td>18%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planning and prioritising (Plan score)</th>
<th>Low score</th>
<th>Medium</th>
<th>High score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan ahead financially</td>
<td>33%</td>
<td>46%</td>
<td>22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ability to manage risks</th>
<th>Low score</th>
<th>Medium</th>
<th>High score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never went without medicine, could raise N45,000 for emergency in 7 days, could recover from financial shock</td>
<td>44%</td>
<td>25%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
A third of Nigerians have low financial capability

Financial capability is an average of the financial planning, financial control, knowledge and skills and making financial choices dimensions.

Source: EFInA Access to Financial Services in Nigeria 2020 survey
There is a positive correlation between digital financial services and financial capability

Digital financial services usage by financial capability levels (%)

- National uptake: 30%
- High capability: 51%
- Moderate capability: 26%
- Low capability: 10%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Levels of Financial Inclusion (Financial Access Strands)
Defining financial inclusion

**Total adult population** 18 years and older in Nigeria

- **Financially included** = have/use financial products and/or services – formal and/or informal

- **Formally served** = have/use formal financial products and/or services provided by a financial institution (bank and/or non-bank)

- **Informally served** = have/use financial products and/or services which are not regulated

- **Banked** = have/use financial products/services provided by a bank regulated by the CBN

- **Financially excluded** = do not have/use any financial products and/or services — formal and/or informal

- **Served by other formal financial institutions** = have/use financial products/services provided by regulated non-bank financial institutions

Source: EFInA Access to Financial Services in Nigeria 2020
Just above half of adults (50.5% of adults, or 53.6 million adults) now use formal financial services, up from 48.4 million

- Nearly 1 in 2 Nigerian adults do not use any formal (regulated) financial services
- More than 1 in 3 Nigerian adults remain completely financially excluded

<table>
<thead>
<tr>
<th>Financial Status</th>
<th>Percentage</th>
<th>Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banked</td>
<td>44.8%</td>
<td>47.6m</td>
</tr>
<tr>
<td>Formal other</td>
<td>5.7%</td>
<td>6.0m</td>
</tr>
<tr>
<td>Informal</td>
<td>13.6%</td>
<td>14.4m</td>
</tr>
<tr>
<td>Financially excluded</td>
<td>35.9%</td>
<td>38.1m</td>
</tr>
</tbody>
</table>

These four strands are mutually exclusive

Source: EFInA Access to Financial Services in Nigeria 2020
Nigerian adults continue to use a combination of financial services to meet their needs

- Consumers generally use a combination of financial products and services to meet their financial needs
- Formally served adults use a combination of formal and informal mechanisms to manage their financial needs, indicating that their needs are not fully met by the formal sector alone

---

**Aggregate Levels of Financial Access**

- **Banked**: 44.8%
- **Formal Other (non-bank)**: 28.0%
- **Informal**: 32.7%

---

**Source**: EFInA Access to Financial Services in Nigeria 2020 survey
Financial inclusion progress continues to be incremental

• The proportion of formally served adults increased for the first time since 2014
• While the percentage of financially excluded adults decreased slightly between 2018 and 2020, the actual number of financially excluded adults increased from 36.6 million to 38.1 million, as population growth outpaces the rate of financial inclusion growth

Nigeria has a higher rate of financial exclusion than many other countries in Sub-Saharan Africa

- Although Nigeria has a higher proportion of banked adults than many comparator countries, it also has a high proportion of financially excluded adults at 36%.
- Several countries have expanded financial inclusion via non-bank mobile money (reflected in yellow sections).

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Banked</th>
<th>Other formal (non-bank)</th>
<th>Informal</th>
<th>Excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>2020</td>
<td>81</td>
<td>10</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Namibia</td>
<td>2017</td>
<td>68</td>
<td>5</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2020</td>
<td>45</td>
<td>6</td>
<td>14</td>
<td>36</td>
</tr>
<tr>
<td>Kenya</td>
<td>2019</td>
<td>44</td>
<td>39</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Rwanda</td>
<td>2020</td>
<td>36</td>
<td>41</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>Uganda</td>
<td>2017</td>
<td>22</td>
<td>36</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>2016</td>
<td>18</td>
<td>22</td>
<td>21</td>
<td>39</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2017</td>
<td>13</td>
<td>52</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>Cameroon</td>
<td>2017</td>
<td>10</td>
<td>39</td>
<td>15</td>
<td>36</td>
</tr>
</tbody>
</table>

Note: There are some slight differences in the classification of products/services in the categories of the access strand between the countries.

Source: EFInA Access to Financial Services in Nigeria 2020 survey and countries implemented FinScope surveys.
The financial inclusion gender gap has persisted

- Adult men are more likely to be banked than adult women
- Adult women tend to use more informal financial services than adult men
- Women remain significantly excluded compared to men

<table>
<thead>
<tr>
<th>Adult Population 18+ Years</th>
<th>Banked</th>
<th>Formal other (non-bank)</th>
<th>Informal</th>
<th>Excluded</th>
<th>Reduction in the excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>51%</td>
<td>6%</td>
<td>12%</td>
<td>32%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Female</td>
<td>39%</td>
<td>6%</td>
<td>15%</td>
<td>40%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Total</td>
<td>45%</td>
<td>6%</td>
<td>14%</td>
<td>36%</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Most Nigerians between the ages of 15-17 are financially excluded

- 77% are living in rural areas
- 43% own a mobile phone
- 39% are living in communities with financial access points

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Young adults continue to be significantly more excluded than older adults

- Adults in the 18 to 25 age bracket are significantly more likely than older adults to be financially excluded

<table>
<thead>
<tr>
<th>Adult Population 18+ Years</th>
<th>Banked</th>
<th>Formal other (non-bank)</th>
<th>Informal</th>
<th>Excluded</th>
<th>Reduction in the excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.2m 18 to 25 Years</td>
<td>36%</td>
<td>6%</td>
<td>11%</td>
<td>47%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>33.5 m 26 to 35 Years</td>
<td>48%</td>
<td>5%</td>
<td>14%</td>
<td>30%</td>
<td>-1.2%</td>
</tr>
<tr>
<td>22.4m 36 to 45 Years</td>
<td>51%</td>
<td>5%</td>
<td>15%</td>
<td>29%</td>
<td>-1.7%</td>
</tr>
<tr>
<td>12.2m 46 to 55 Years</td>
<td>47%</td>
<td>6%</td>
<td>15%</td>
<td>33%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>12.8 m Above 56 Years</td>
<td>43%</td>
<td>6%</td>
<td>14%</td>
<td>38%</td>
<td>-3.8%</td>
</tr>
</tbody>
</table>

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Adults with higher levels of education are significantly more likely to be financially included

Completed secondary levels of education & above
- Banked: 68%
- Formal other (non-bank): 5%
- Informal only: 11%
- Financially excluded: 17%

Secondary levels of education incomplete and less
- Banked: 16%
- Formal other (non-bank): 7%
- Informal only: 17%
- Financially excluded: 59%

Adult Population 18+ Years
- 58.9 m
- 47.2 m

Source: EFInA Access to Financial Services in Nigeria 2020 survey
The formally employed market is nearly saturated for banks

<table>
<thead>
<tr>
<th>Adult Population 18+ Years</th>
<th>Employed in the formal sector</th>
<th>Business owners</th>
<th>Employed in the Informal sector</th>
<th>Farming</th>
<th>Dependants</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3m</td>
<td>93%</td>
<td>51%</td>
<td>59%</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>45.1 m</td>
<td>2.3%</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>8.7 m</td>
<td>2.1%</td>
<td>17%</td>
<td>95</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>21.5m</td>
<td></td>
<td></td>
<td></td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>22.4 m</td>
<td></td>
<td></td>
<td></td>
<td>60%</td>
<td></td>
</tr>
</tbody>
</table>

- **Banked**
- **Formal other (non-bank)**
- **Informal**
- **Financially excluded**

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Only one third of rural adults are banked, compared to two thirds of adults in urban areas

- Banking services are still not reaching all rural areas. However, the data show some increase since 2018
- Rural adults continue to be more likely than those in urban areas to rely exclusively on informal financial services

![Bar chart showing the proportion of banked, formal other (non-bank), informal, and excluded adults in urban and rural areas.]

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Rural population: Only 38% of adults in rural areas are within proximity of financial access points/financial service providers. Of the 38%, 84% are Financial Services Agents.

- 84% Financial Service Agents
- 7% Other FSP
- 4% Bank branches
- 1% ATM (stand alone)
- 1% Cooperative or social groups

Type of financial service agent (Drivers)
- Banking agents (45%)
- Other formal (30%)
- Other & non licensed (26%)
- MNO (13%)
Rural populations with financial access points (FAP) in their communities are more likely to be financially included.

- Adults from communities with FAP:
  - Banked: 47%
  - Formal other (non-bank): 6%
  - Informal: 15%
  - Excluded: 33%

- Adults from communities without FAPs in and around:
  - Banked: 26%
  - Formal other (non-bank): 7%
  - Informal: 17%
  - Excluded: 51%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
The North West and North East zones continue to be most excluded. While progress has been made in the NE, the large population in the NW is predominantly excluded.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Banked</th>
<th>Other formal (non-bank)</th>
<th>Informal</th>
<th>Excluded</th>
<th>Reduction in the excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>16%</td>
<td>7%</td>
<td>9%</td>
<td>68%</td>
<td>+5.4%</td>
</tr>
<tr>
<td>North East</td>
<td>33%</td>
<td>4%</td>
<td>13%</td>
<td>50%</td>
<td>-4.1%</td>
</tr>
<tr>
<td>North Central</td>
<td>51%</td>
<td>7%</td>
<td>17%</td>
<td>26%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>South East</td>
<td>58%</td>
<td>5%</td>
<td>11%</td>
<td>26%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>South South</td>
<td>55%</td>
<td>6%</td>
<td>17%</td>
<td>22%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>South West</td>
<td>63%</td>
<td>5%</td>
<td>15%</td>
<td>17%</td>
<td>-1.9%</td>
</tr>
</tbody>
</table>
There is a direct correlation between financial health and financial inclusion.

<table>
<thead>
<tr>
<th>Status</th>
<th>Banked</th>
<th>Formal other (non-bank)</th>
<th>Informal</th>
<th>Excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially healthy</td>
<td>61%</td>
<td>6%</td>
<td>12%</td>
<td>22%</td>
</tr>
<tr>
<td>Financially coping</td>
<td>46%</td>
<td>6%</td>
<td>14%</td>
<td>34%</td>
</tr>
<tr>
<td>Financially vulnerable</td>
<td>31%</td>
<td>6%</td>
<td>14%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Out of the 59 million unbanked adults, 43m (73%) do not have the required documents to open a Tier 3 bank account

% of unbanked adults with formal ID document and proof of address

- 73% Have ID & proof of address
- 27% Do not have both ID & proof of address

Source: EFInA Access to Financial Services in Nigeria 2020 survey
National Financial Inclusion Strategy (NFIS) Targets
While overall financial inclusion continues to grow incrementally, progress has been too slow to meet National Financial Inclusion Strategy targets

* The NFIS target is: *Reduce financial exclusion rate of adults to 20% by 2020*

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>Target by 2020</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>2016</th>
<th>2018</th>
<th>2020</th>
<th>Variance to 2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Total Adult Population</td>
<td>Payments</td>
<td>70%</td>
<td>22%</td>
<td>20%</td>
<td>24%</td>
<td>38%</td>
<td>40%</td>
<td><strong>45%</strong></td>
</tr>
<tr>
<td></td>
<td>Savings</td>
<td>60%</td>
<td>24%</td>
<td>25%</td>
<td>32%</td>
<td>36%</td>
<td>24%</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>Credit</td>
<td>40%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Insurance</td>
<td>40%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Pension</td>
<td>40%</td>
<td>5%</td>
<td>2%</td>
<td>5%</td>
<td>7%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>Formally served</td>
<td>70%</td>
<td>36.3%</td>
<td>43.0%</td>
<td>48.6%</td>
<td>48.6%</td>
<td>48.6%</td>
<td>50.5%</td>
</tr>
<tr>
<td></td>
<td>Financial Exclusion</td>
<td>20%</td>
<td>46.3%</td>
<td>39.7%</td>
<td>39.5%</td>
<td>41.6%</td>
<td>36.8%</td>
<td>35.9%</td>
</tr>
</tbody>
</table>

**DEFINITION OF INDICATORS**

**Payments:** % of adult population that has a transaction account with a regulated financial institution and/or has made an electronic payment through a regulated financial institution in the last 12 months

**Savings:** % of adult population that has a savings-related product at a regulated financial institution and/or has saved through a regulated financial institution in the last 12 months

**Credit:** % of adult population that has had a credit product through a regulated financial institution in the last 12 months

**Insurance:** % of adult population that is covered by a regulated insurance policy

**Pension:** % of adult population that is contributing to a regulated pension scheme or receiving a pension through a regulated pension scheme
Excluded Population
Financially excluded are predominantly dependents, reside in rural areas, have low education with and low proximity to access points

There are 38 million financially excluded adults. Of these, 43% live in the North West

Primary Income Source

- Dependent: 36%
- Own biz - trader/services: 31%
- Farming: 27%
- Other: 5%
- Informally employed: 3%
- Formally employed: 97%

Age

- 18-25: 30.8%
- 26-35: 28.7%
- 36-45: 17.1%
- 46-55: 10.7%
- 56+: 12.7%

Source: EFInA Access to Financial Services in Nigeria 2020 survey
Key Findings

- Despite challenging economic circumstances, financial inclusion continued to grow incrementally, with more than half of Nigerian adults using formal (regulated) financial services for the first time.
- However, at the current rate of progress, the National Financial Inclusion Strategy targets for 2020 will not be met until around 2030.
- Stubborn access gaps have persisted since 2008 for the most excluded groups: women, Northern Nigerians, Nigerians in rural areas, and youth.
- The main barriers to financial inclusion remain institutional exclusion, affordability, access, and low awareness.
- In 2020, we saw faster growth in banking, use of financial service agents, and use of digital financial services.
- Use of informal financial services also grew, with many Nigerians continuing to use a combination of formal and informal financial services to meet their needs.
- Only about 1 in 4 Nigerian adults are considered financially healthy (27%), while 39% are coping and 34% are financially vulnerable.
- Growth in digital financial services, agent networks, and mobile phone ownership (now at 81%) highlights the opportunity to drive faster financial inclusion growth through digital financial services such as mobile money.
If Nigeria experiences rapid uptake of mobile money experienced in some neighbouring countries, financial inclusion targets could be met much faster.

Source: WorldData Lab and ConsumerCentrix predictive analysis of financial access trends in Nigeria
Analysis used multiple data sources including EFInA Access to Financial Services in Nigeria survey datasets
For the first time, the EFInA Access to Financial Services in Nigeria 2020 Survey includes a deep-dive sample for one state that is representative at the Local Government Area (LGA) level.

- With funding support from the Bill & Melinda Gates Foundation, EFInA conducted a deep dive survey in Kaduna State
- This survey sampled **4600** adults across 23 Local Government Areas
- The survey covers the same data as the main Access to Financial Services in Nigeria Survey, including:
  - Financial Inclusion Landscape
  - Financial behavior
  - COVID-19 impact
  - Beyond Financial Inclusion – Financial health, needs and capabilities

- This data can be disaggregated by Local Government areas and allows for in-depth analysis with multiple variables at the state level

*Stay tuned for a launch of the data in June 2021*
How to use the Access to Financial Services in Nigeria 2020 Survey Data

These Key Findings are just the tip of the iceberg. The A2F dataset can be used for in-depth analysis of a variety of topics.

Reports and datasets are available to the public
• 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
Acknowledgements

We would like to thank the many partners who contributed to the success of the EFInA Access to Financial Services in Nigeria 2020 Survey, including:

Delivery partners:
• National Bureau of Statistics
• Ipsos Nigeria
• FinMark Trust

Funding partners:
• UK Foreign, Commonwealth & Development Office (funding support for main survey)
• Bill & Melinda Gates Foundation (funding support for Kaduna State deep dive)

The many stakeholders and partners who provided input to the survey questionnaire, and advised on approaches for conducting fieldwork safely following COVID

And the more than 30,000 Nigerian survey respondents who contributed their time and information to benefit this research.