

NATIONAL FINANCIAL INCLUSION STRATEGY IMPLEMENTATION

2020
ANNUAL REPORT



FINANCIAL INCLUSION DELIVERY UNIT | 2020
CENTRAL BANK OF NIGERIA





In terms of the financial products and service offerings in Nigeria, progress on payments stood at 45% as against a 70% target, Savings at 32% (60% target), Credit at 3% (40%), Insurance at 2% (40%), Pensions at 7% (40%), and the formally served at 50.5% (70%) as at the end of 2020

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FOREWORD

This Annual Report provides a reflection of the financial inclusion landscape in the year 2020 and provides a synopsis of multiple initiatives aimed at closing the inclusion gap within an economic context of Nigeria. The year 2020 was very remarkable and could be remembered for the wide-ranging impact of COVID-19 on economies all over the world. The pandemic occasioned prolonged lockdowns globally across countries, with transport, logistics, and all forms of enterprise ground to a halt. With the constrained economic space, limited mobility, loss of income and some social distancing measures put in place by governments in countries across the globe, the severe impact of the pandemic on livelihoods consequently hit home.

The financial inclusion dimension of the impact of the pandemic in Nigeria was very evident in the recent Access to Financial Services Survey Report (2020) released by Enhancing Financial Innovation and Access (EFInA). This put the headline financial inclusion rate at 64.1 per cent which falls short of the target of 80 per cent projected for the end of 2020 when the National Financial Inclusion Strategy was launched in 2014. While we credit the pandemic for depressing outcomes significantly, I also note that some of the fundamentals responsible for the marginal increase in the rate were already apparent even before the pandemic, but then became more pronounced and reinforced by the impact of the pandemic. Thus, progress on headline inclusion has been incremental, and not transformative as we had hoped. I make specific reference to the North-East and North-West, where exclusion levels

Evidently, we are making progress, but we need a shift urgently to address the yearning gaps in inclusion especially amongst women, youth, MSMEs, and rural areas



have remained very high. Results show that 68 per cent of the adult population in the North-West are excluded, compared to 50 per cent in the North-East, 26 per cent in the North Central, 26 per cent in the South-East, 22 per cent in the South-South, and 17 per cent in the South-West. These figures highlight the acute disparities in growth across regions and geopolitical zones in Nigeria. Equitable and balanced economic growth is one of the key elements of sustainable development. To forestall and arrest the unequal growth and access to financial services across Nigeria's geopolitical zones, a shift in strategy and methods of outreach would be required, given that preexisting approaches have not been adequate in closing the gaps.

Furthermore, only one third of rural adults are banked, compared to two thirds of adults in urban areas. Hence, financial services are not reaching all rural areas in Nigeria adequately.



Given that rural populations with financial access points (FAP) are more likely to be included than rural populations without FAPs according to the survey, it is therefore plausible, that the lack of access points in certain localities account for the incidence of exclusion to a great extent. For example, 44 per cent of rural people compared to 20 per cent of urban adults are excluded. We therefore need to implement a rapid expansion of access points in rural areas to address the gaps in access to finance between rural and urban populations if we must have a sustainable development pathway.

In terms of the financial products and service offerings in Nigeria, progress on payments stood at 45 per cent as against a 70 per cent target, Savings at 32 per cent (60 per cent target), Credit at 3 per cent (40 per cent), Insurance at 2 per cent (40 per cent), Pensions at 7 per cent (40 per cent), and the Formally served at 50.5 per cent (70 per cent) as at the end of 2020. These results speak for themselves in terms of how we have performed since the inception of the financial inclusion drive. Evidently, we are making progress, but we need a shift urgently to address the yearning gaps in inclusion especially amongst women, youth, MSMEs, and rural areas. I note that there's a gender gap of 8 per cent implying that much needs to be done to continue to close the gaps in access to finance between males and females. The Access to Finance Framework launched in September 2020 would therefore provide the needed traction for closing the gap.

Our financial inclusion initiatives of the future will therefore focus on materially expanding access to finance and removing the barriers to access such as identity. Research results show that out of the 59 million unbanked adults, 43m (73 per cent) do not have the required documents to open a Tier 3 bank account. Identity is therefore key to unfreezing the inclusion landscape, coupled with sensitization, awareness, financial

literacy and appropriate consumer protection to ensure confidence in the financial system amongst the low-income segments who are the targets of most of the financial inclusion drive. We will continue also to engage with financial services providers to enable the development of products and services that are tailored and suitable for the demographics we seek to reach. In addition, we are very much aware of the benefits and impact of digital financial services in accelerating access to finance hence our quest to implement a National Fintech Strategy to broaden and deepen the state of DFS in Nigeria and continued adoption.

Finally, the current state of financial inclusion in Nigeria requires that we reflect and adapt our strategies for the future. It therefore calls for a rethinking of our approach to implementation and to fashion out a roadmap to leapfrog inclusion beginning from 2021 to 2024. Hopefully, this roadmap would see more transformative effects in our landscape as we try to create a conducive environment for the sustainable economic development of Nigeria.

*The current state of financial inclusion in Nigeria requires that we **reflect and adapt** our strategies for the future. It therefore calls for a **rethinking** of our approach to implementation and to fashion out a roadmap to leapfrog inclusion beginning from 2021 to 2024*

Godwin I. Emefiele

Governor, Central Bank of Nigeria

Chairman, National Financial Inclusion Steering Committee



“Year 2021 will focus on efforts aimed at closing the financial inclusion gap within the ambit of the changes experienced in 2020”



EXECUTIVE SUMMARY

MARGINAL PROGRESS IN A CHALLENGING YEAR

Given the progress made in Financial Inclusion in 2018 and the high Impact initiatives outlined for implementation to meet the financial inclusion target of 2020, stakeholders were hopeful that the financial inclusion needle would significantly improve in 2020. However, the COVID-19 pandemic impacted economic growth and slowed down the implementation of national financial inclusion strategy imperatives by financial inclusion stakeholders. This challenge notwithstanding, financial inclusion improved marginally from 63.2 per cent in 2018 to 64.1 per cent in 2020.

THE YEAR OF INCREASE

The volume and value of electronic payments increased significantly during the period under review from 3,002.9 million and ₦167,014.36 billion in the preceding year to 10,145.8 million and ₦1,245,658.13 billion in 2020.

Within the retail payment segment of the electronic payment system, greater use of electronic payment options was observed owing to the need to observe physical distancing protocols that accompanied the pandemic while conducting financial transactions. Consequently, the volume of transactions on e-payments channels increased by 268.8 per cent to 10,716.6 million, compared with 2,906.1 million in 2019. The corresponding value of the transactions also rose significantly by 288.0 per cent to ₦470,123.40 billion, compared with ₦121,151.65 billion in the preceding year.

Electronic payments increased significantly during the period under review. Measures put in place to slow down the spread of COVID 19 contributed to this growth. Furthermore, the number of fixed location agents also increased significantly”

Furthermore, the recently launched micro pension scheme also witnessed increased uptake. The number of registered micro pension participants increased from 39,686 in December 2019 to 62,463 as at December 2020. The cumulative pension contribution from micro pension participants’ increased from ₦71,769,125.64 in December 2019 to ₦89,128,934.38 as at December 2020.

In the same vein, the Shared Agent Network Expansion Facility (SANEF) in collaboration with relevant stakeholders increased its agents acquisition activities during the year under review. These activities resulted in an increase in the number of super agents from 236,960 as at Dec 2019 to 561,044 in Dec 2020, with Agent Acquisition in the north upped to 431 per cent despite the security challenges/issues. This acquisition exceeded the set target of 500,000 Agents roll out nationwide.

The Environment for the implementation of the financial inclusion strategy was constrained in year 2020 due to the COVID 19.

Nonetheless, financial inclusion improved marginally during the year under review



ENABLING POLICY ENVIRONMENT FOR GREATER FINANCIAL INCLUSION

The effort to address financial inclusion in Nigeria focused mainly on some key demographic groups that are disproportionately financially excluded. These group included the youth, women, rural dwellers, northern Nigeria and MSMEs. While some gains have been recorded by financial inclusion stakeholders in addressing these gaps, some policies that would facilitate more innovative approaches were published in the year under review.

On December 20, 2020, the CBN issued the framework which allowed small-scale, live testing of innovations by private firms in a controlled environment under the regulator's supervision. The framework defined the establishment, rules and operations of a Regulatory Sandbox for the Nigerian Payments System to promote financial inclusion alongside other related objectives. In the same vein, the Regulatory Framework for Open Banking in Nigeria that established principles for data sharing across the banking and payments ecosystem, which will promote innovation, broaden the range of financial products and services, and deepen financial inclusion, was issued during the period under review.

The gender landscape study conducted in 2019 culminated in the development of a framework for financial inclusion for women in the year under review. The Bank, in collaboration with other stakeholders, approved and formally launched the Framework on September 28, 2020 with the primary objective of granting women easy access to finance to burgeon their inclusion. Four Communities of Practice (CoPs) to implement four strategic imperatives of the Framework were inaugurated and the COPs work-plans had been developed and bilateral engagements on activities also commenced.

To further enable the financial inclusion drive, some key policies were published in the year under review with the aim of improving financial inclusion.

These policies targeted the unlocking of potentials at some key focus areas in Financial Inclusion in Nigeria

FINANCIAL INCLUSION STAKEHOLDERS MADE SOME STRIDES IN SPITE OF COVID-19

Nigerian Insurers Association and its member organizations upped the savings culture amongst Nigerian traders during the year under review with the launch of the Cornerstone Apprenticeship Savings Scheme (CASS) tagged "Oga Boy" which garnered about 10,000 policies within the first 12 months.

Financial inclusion stakeholders made strides in addressing financial inclusion in spite of COVID 19. Some players launched new products, while others focused on boosting financial literacy and extending access to finance through providing suitable access channels.

Non-interest players also made some strides during the period under review. For instance, TAJXpress Agent provided a platform for agents within the Northwest, Northeast regions and the Federal Capital Territory. Furthermore, member institutions leveraged on virtual platforms, due to COVID-19 restrictions, to conduct and create mass financial literacy awareness on non-interest finance, products and services such as the sukuk (Islamic bond) and mutual funds. The Nigerian Stock Exchange, Federal Ministry of Youth and Sports also focused on boosting financial literacy amongst the unbanked population.

MISSED TARGET BUT GREAT GAINS

Year 2020 was set as the terminal year for financial inclusion, according to the Maya accord which Nigeria committed, to close financial inclusion gap by 80 per cent in 2020. Clearly, there is a need for stakeholders to re-strategize on the best approach to close this gap given the global interruption by COVID-19.

The year 2021 will focus on efforts aimed at closing the financial inclusion gap within the ambit of the changes experienced in 2020.



INTRODUCTION

Financial Inclusion has evolved since member countries of the Alliance for Financial Inclusion (AFI) signed up to the Maya declaration in 2010 committing to promoting increased access to finance in their respective jurisdictions. At that forum, Nigeria committed to a target of 80 per cent Financial Inclusion by the year, 2020 followed closely in 2012 by the development and launch of the National Financial Inclusion Strategy consolidating its commitment to the Maya declaration.

The journey to 80 per cent by 2020 has been arduous but extremely rewarding. The advent of innovative technologies by fintech companies has provided succor where traditional means of reaching unbanked populations have wavered, agent networks have provided widespread reach to previously hard to reach areas with unbanked populations and numerous policies on micro-insurance, micro pensions, and the development of capital market products for low-income groups have made the financial inclusion journey to 80 per cent quite interesting.



Stakeholder institutions within the financial inclusion landscape have increasingly prioritized financial inclusion as part of their mandates shifting from a previously focused narrative of financial inclusion being categorized as Corporate Social Responsibility. Today, the economic benefits of an inclusive economy remain undeniable, and countries continue to reap the benefits of improved access to finance for unbanked and underbanked populations.

In Nigeria, access to financial services is categorized and measured across major products/services (Savings, Payments, Credit, Pensions, Insurance) and access channels (Physical Branches, POS, ATMs and Agents). Over the last decade, Enhancing Financial Innovation and Access (EFInA) has measured the progress of financial inclusion along these products and channels and progress recorded on a bi-annual basis. The most recent milestone survey (EFInA access to financial services survey, 2020) revealed that despite numerous efforts, the Financial Inclusion rate missed its target. The 2020 A2F indicates a 64.1 per cent financial inclusion rate, up by 90 basis points from 63.2 per cent in 2018 but at variance with the targets set for 2020 by 15 per cent.

The year 2020 has been particularly peculiar with gains in the financial inclusion progress made over the years threatened by the onset of the COVID-19 pandemic. The recent results highlighted increased hardship brought on by the pandemic as well as the lingering gender gap in access to finance, increased exclusion rates particularly amongst the youth and a high rate of exclusion particularly in the Northwestern region of the country. These gaps remained consistent with the identified gaps in the revised National Financial Inclusion Strategy and provided the impetus for a renewed focus to reach set targets beyond 2020.

This Annual report highlights progress made by financial inclusion stakeholders during the period, in spite of the challenges brought about by the pandemic. The report will focus on stakeholder implementation efforts, adaptation to the realities of the pandemic as well as the key impact on financial inclusion activities within the year.

The report features 5 (five) chapters. Chapter two (2) provides insights into the implementation environment, revealing how the various sectors (e.g. Banking, Insurance, Pensions, Capital Market) had fared in advancing financial inclusion during the year.

Chapter three (3) delves into the contribution of each stakeholder institution to improving access to and usage of financial products and services for the unbanked. This chapter on 'stakeholder activities' provides details of activities and their impacts as it relates to the development of specific products, services and interventions targeted at unbanked populations.

Chapter four (4) highlights the strategy implementation process looking to the prescriptions in the National Financial Inclusion Strategy 2.0. and showcasing specific efforts to achieve the targets therein through increased focus on the more vulnerable segments of the population.

Lastly, Chapter five (5) provides the outlook for financial inclusion beyond 2020. As 2020 is the National Financial Inclusion Strategy target year, this chapter will focus on the 'what next' for Financial Inclusion in Nigeria beyond this year.



IMPLEMENTATION ENVIRONMENT

This chapter provides a brief presentation of developments within the implementation environment of the National Financial Inclusion Strategy and an analysis of the performance of the macro economy in 2020.

2



2.1 MACROECONOMIC ENVIRONMENT

2.1.1. Output

The economy maintained some resilience despite the devastating impact of the COVID-19 pandemic on the global economy as available data from the National Bureau of Statistics indicated that the Gross Domestic Product (GDP), measured in 2010 constant basic prices fell to ₦70.0 trillion from ₦71.4 trillion recorded in 2019, contracting 1.92 per cent during the period.

The resilience by the economy was hinged on the diligent implementation of the Nigeria Economic Sustainability Plan (NESP) and various intervention measures by the government. The contraction in economic activities reflected the adverse impact of the COVID-19 induced global and domestic supply shocks that dominated the year as well as weak demand arising from weaker purchasing power of households. Domestic supply shocks were exacerbated by the restrictions on human and vehicular traffic and closure of non-essential businesses for significant parts of the year, supply chain disruptions, the 'EndSARS' protests as well as persisting structural challenges.

Both the non-oil and oil sectors contracted by 1.25 and 8.89 per cents during the year, respectively, compared with a growth of 2.1 and 4.59 per cent in 2019, respectively. Within the non-oil sector, the Services sector weighed down on growth with a contraction of 2.27 per cent, compared with a growth of 2.22 per cent in 2019. The industry sector also performed poorly with a contraction of 5.85 per cent compared to growth of 2.31 per cent recorded in 2019. However, the Agriculture sector sustained its modest growth trajectory in 2020 at 2.17 per cent compared with 2.36 per cent recorded in 2019.

2.1.2. Prices

Consumer prices surged in 2020. Available data from the National Bureau of Statistics (NBS) indicated that the headline inflation (Year-on-Year) maintained an upward trajectory all through 2020 rising from 12.13 per cent in January 2020 to 12.26 per cent in March and 12.56 per cent in June. It rose further to 13.711 per cent in September before peaking at 15.75 per cent in December 2020.

Figure 1: GDP Growth Rate, 2016-2020 (Per cent)

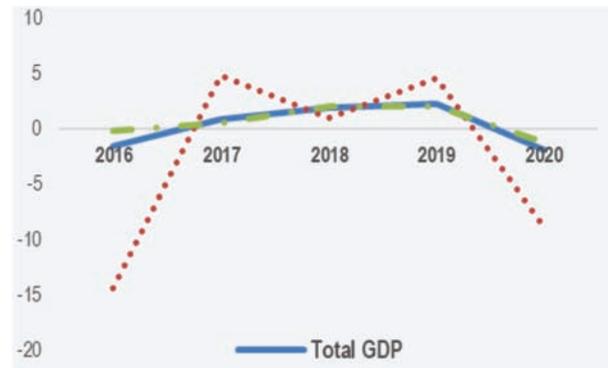
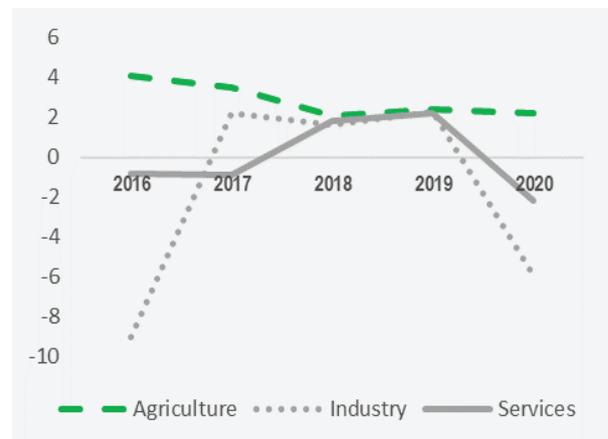


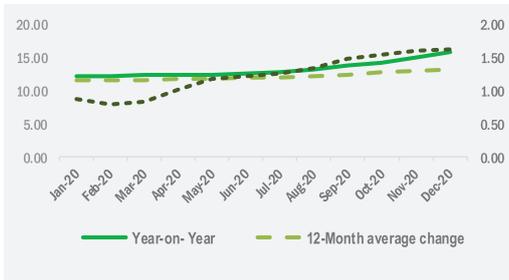
Figure 2: Sectoral Growth rate of Real GDP (2016-2020)



Source: National Bureau of Statistics (NBS)



Figure 3: Trends in Headline Inflation, 2020
(Year-on-year, 12-Month Moving Average and Month-on-Month)



Source: National Bureau of Statistics (NBS)

The sustained increase in headline inflation was attributed mostly to supply shocks that ranged from supply chain disruptions that accompanied the COVID-19 containment measures and the 'EndSARS' protests, marked increases in the prices of electricity tariff and Premium Motor Spirit (PMS) as well as shortages in food supply owing to sustained security challenges in food producing areas and flooding. Others were the effect of foreign exchange restrictions and surge in money supply following

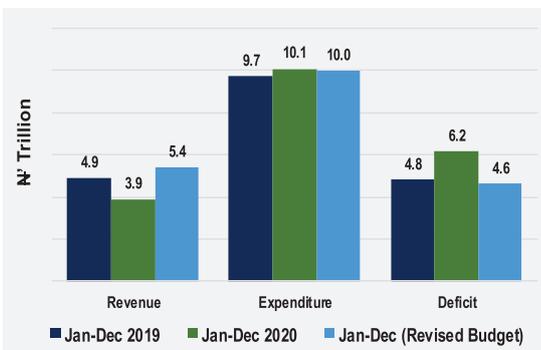
ease the impact of the pandemic on citizens and businesses. The surge in inflation and contraction in output presented a challenging year for household economic activities and eroding consumer income, hence financial inclusion.

accommodating monetary policy measures that were implemented to

2.1.3. Fiscal Sector

The fiscal operations of the government remained under heightened pressure in 2020 due to the slow

Figure 4: FGN Fiscal Operations, January-December 2020 (N' Trillion)



recovery of crude oil prices occasioned by the lingering effect of the COVID-19 pandemic globally. Consequently, retained revenue fell to ₦3.9 trillion in 2020 compared with ₦4.9 trillion recorded in 2019 while aggregate fiscal expenditures rose to ₦10.08 trillion in 2020 from ₦9.97 trillion incurred in the previous year. This led to a higher fiscal deficit of 6.2 per cent in 2020 compared with 4.8 per cent recorded in 2019.

In financing the higher deficit, the total debt stock of the government rose significantly to ₦28.03 trillion in 2020 from ₦22.172 trillion (at end September 2019). External debt rose by ₦12.19 trillion during the year due mainly to new concessionary loans from the IMF and the World Bank Group; while domestic debt grew by ₦15.8 trillion during the period.



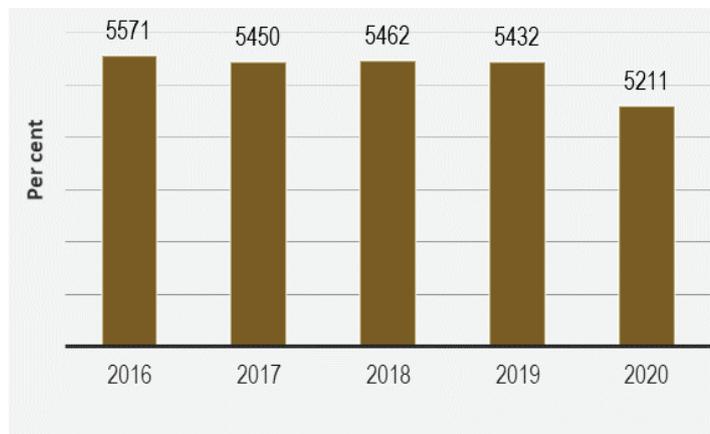
2.1.4. External Sector

The external sector witnessed sustained pressure in 2020 due to slump in global trade, weak demand and low crude oil prices following restrictions that accompanied the COVID-19 containment measures globally. Significant depreciation of the currency was witnessed across the interbank and Bureau de Change foreign exchange markets as the currency depreciated to ₦381/US\$ in December 2020 from ₦307/US\$ the previous year in the interbank segment and ₦465/US\$ in December 2020 from ₦362/US\$ in the previous year from the previous year in the BDC segment. The substantial pressure in the foreign exchange market reflected in the decline in external reserves during the year as the external reserves declined to US\$34.938 billion in November 2020 compared with US\$38.092 billion at December 2020

2.2 BANKING SECTOR

The number of licensed banks increased to 30 at end-December 2020, compared with 29 in the preceding year. The increase followed the issuance of license to Greenwich merchant bank. The licensed banks comprised twenty-two commercial banks, six merchant banks and two non-interest banks. However, the number of commercial bank branches reduced to 5,211 at end-December 2020, compared with 5,432 in 2019. The reduction in the number of bank branches could be attributed to the increased use of alternative physical banking options such as digital payment options and shutdown of branches in compliance with COVID-19 protocols.

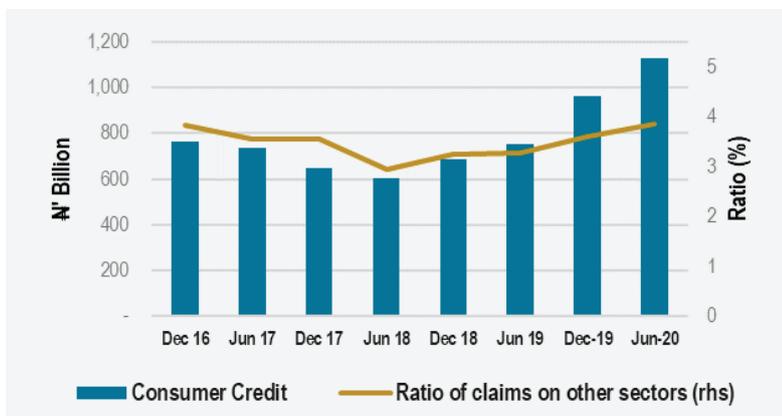
Figure 5: Branch Network of Commercial Banks, 2015-2020



Source: National Bureau of Statistics (NBS)

Analysis of Consumer Credit in 2020

Figure 6: Consumer Credit, 2016 - 2020



Source: CBN

Despite the reduction in the number of branches of commercial banks, consumer credit grew in 2020 compared with the preceding year. The development was due to the continued implementation of the minimum loan-to-deposit ratio (LDR) policy of 65.0 per cent and the drive for financial assets by banks. Outstanding consumer credit grew by 17.7 per cent to ₦1,663.07 billion at end-December 2020, representing



8.9 per cent of banks' outstanding claims to the private sector, compared with 9.1 per cent in preceding period. In terms of the maturity structure of consumer credit, short-term maturities remained dominant in banks' outstanding credit and deposits. Outstanding loans and advances maturing one year and earlier, accounted for 51.3 per cent of the total, compared with 51.7 per cent at end-December 2019. The medium-term and long-term maturities stood at 17.2 and 31.5 per cent, respectively, compared with 17.4 and 35.4 per cent at the end of the corresponding period of 2019. Deposit liabilities showed a similar trend, with short-term deposits constituting 90.02 per cent of the total at end-December 2020, compared with 90.3 per cent at end-December 2019. Further analysis showed that medium and long-term deposits constituted 4.1 and 5.9 per cent, respectively, compared with 4.0 and 5.7 per cent at end-June 2019.

Table 1: Maturity Structure of DMBs' Loans and Advances, and Deposit Liabilities

2017 – 2020								
Tenor	Loans (%)				Deposits (%)			
	2017	2018	2019	2020	2017	2018	2019	2020
0-30 days	25.6	25.2	28.7	29	74.4	72.9	73	75.21
31-90 days	7.8	9.3	10.2	7.41	12.9	10.1	10.9	9.64
91-180 days	5.3	4.4	5.7	4.42	4.8	3.2	4.2	3.35
181-365 days	5	8.3	7.1	10.52	3.7	1.9	2.3	1.82
Short-term	43.7	47.2	51.7	51.34	95.9	88.1	90.3	90.02
Medium-term - (above 1 year and below 3 Years)	18	17.4	17.4	17.2	1.3	3.8	4.0	4.13
Long-term (3 years and above)	38.4	35.4	30.9	31.46	2.8	8.1	5.7	5.85

Source: CBN

2.3. OTHER FINANCIAL INSTITUTIONS SECTOR: MICROFINANCE BANKS (MFBS)

In the other financial institutions (OFIs) sub-sector, there were 6,532 licensed institutions at end-December 2020, compared with 6,191 institutions in 2019. The number of OFIs comprised 7 DFIs, 34 PMBs, 874 MFBS, 87 FCs and 5,530 BDCs. The increase in the number of OFIs was on account of licensing of additional institutions within the sector (366 BDCs, 12 FCs and 5 MFBS). However, the operating license of 42 MFBS were revoked by the Bank in 2020.

Total assets of OFIs, excluding the BDCs, rose by 49.2 per cent to ₦4,748.76 billion at end-December 2020, compared with ₦3,183.50 billion at end-December 2019. The increase in total assets was attributed, largely, to injection of additional capital by the newly licensed OFIs, mobilization of additional deposits and inclusion of the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) on-lending facilities from the CBN as on-balance sheet. Net loans and advances increased by 29.2 per cent to ₦2,153.43 billion at end-December 2020, compared ₦1,666.99 billion at end-December 2019.



Within the Microfinance Bank subsector (MFB), Total assets of the MFBs rose by 87.1 per cent to ₦929.83 billion at end-December 2020, compared with ₦496.85 billion at end-December 2019. The paid-up capital and shareholders' funds also increased by 7.6 per cent and 15.0 per cent to ₦84.78 billion and ₦130.71 billion, respectively, compared with ₦78.80 billion and ₦113.67 billion at end-December 2019. The development was attributed, mainly, to capital injection and accretion to reserves from ploughed back profits. Net loans and advances increased by 98.8 per cent to ₦507.95 billion at end-December 2020, compared with ₦255.47 billion at end-December 2019. The development was attributed to the CBN intervention funds channeled to the sub-sector through NIRSAL MFB as palliatives to cushion the effect of COVID-19 pandemic on MSMEs and households. Similarly, deposit liabilities rose by 46.6 per cent to ₦366.90 billion at end-December 2020, compared with ₦250.17 billion at end-December 2019. Reserves also increased by 31.8 per cent, to ₦45.93 billion at end-December 2020, compared with ₦34.87 billion at end-December 2019.

Just like the commercial banks, an analysis of the maturity structure of MFBs loans & advances and deposit liabilities showed that short-term credit remained dominant with microfinance banks (MFBs) in the review year. Accordingly, at end-December 2020, short-term loans (with maturity of less than one year), accounted for 53.5 per cent of the aggregate loans and advances, indicating a decline of 27.9 percentage points from the 81.40 per cent in the preceding year. Loans with long-term maturity (over 360 days) accounted for 46.5 per cent of the total, compared with 18.6 per cent at end-December 2019. Similarly, analysis of the deposit structure showed that short-term deposit liabilities (less than one-year maturity) remained dominant, constituting 71.3 per cent of total deposit liabilities, indicating 12.7 percentage points decline, below 84.0 per cent in 2019. However, deposits of long-term maturity (above 1 year) increased by 12.7 percentage points, accounting for 28.7 per cent of total deposit liabilities at end-December 2020, compared with 16.0 per cent in 2019.

Table 2: Maturity Structure of Assets and Liabilities of Microfinance Banks (MFBs), 2019 - 2020

Tenor/Period	2019		2020	
	Loans & Advances	Deposits	Loans & Advances	Deposits
0-30 days	20.8	20.8	10.2	30.1
31-60 days	10.6	10.6	3.2	8.2
61-90 days	9.4	9.4	4.7	9.6
91-180 days	19.0	19.0	15.0	14.9
181-360 days	21.6	21.6	20.4	8.6
Short-Term	81.4	81.4	53.5	71.38
Above 360 days	18.6	18.6	46.5	28.7
Total	100.0	100.0	100.0	100.0

Source: CBN

2.4 E-PAYMENTS SECTOR

Transactions in payment services were sustained by the diligent implementation of various policies and programmes by the Bank to address current and evolving challenges in the payments system. Available data showed that the volume and value of electronic payments increased significantly to 10,145.8 million and ₦1,245,658.13 billion in 2020, compared with 3,002.9 million and ₦167,014.36 billion in the preceding year. The leap in the transactions of the payments system was also attributed



to the expansion in the database, to include the capturing of data on intra-bank and inter-scheme transactions from all licensed service providers. Industry data on electronic payments had been expanded to capture all e-payment transactions (Banks, MMOs, NIBSS, Switches and PSSPs).

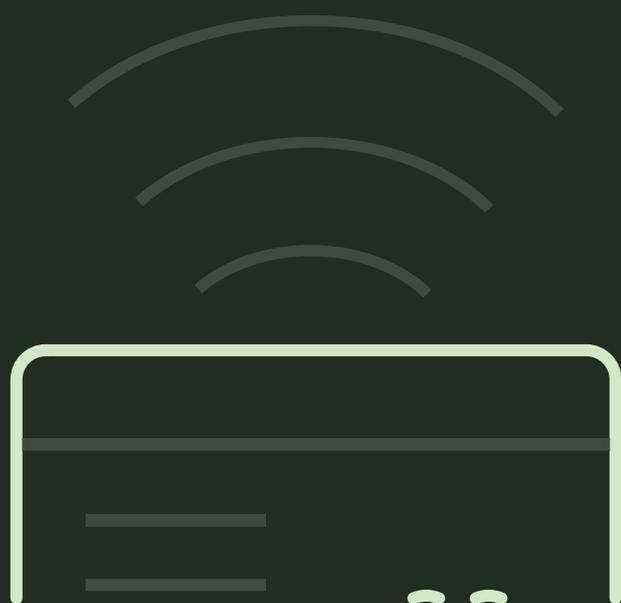
Table 3: Volume and Value of Electronic Payments

Payment Channels	Number of Terminals		Number of Transactions (million)		Value ₦ Billion	
	19-Dec	20-Dec	19-Dec	20-Dec	19-Dec	20-Dec
ATMs	19,129	18,810	839.8	1914.2	6,512.61	18,199.70
POS	303,162	459,285	438.6	655.8	3,204.75	4,727.10
Internet (Web)	-	-	103.5	6,480.60	478.14	392,340.20
RTGS Inter-Bank	-	-	-	0.9	-	439,055.40
RTGS Intra-Bank	-	-	-	12.6	-	51,771.91
NEFT	-	-	-	184.9	-	299,695.12
USSD	-	-	-	482.3	-	5,033.40
Mobile App	-	-	-	411.5	-	32,400.90
Direct Debit	-	-	-	3.0	-	2,434.40
Mobile (MMOs)	-	-	377.3	-	5,081.00	-
NIP	-	-	1145.8	-	105,222.56	-
e-Bills Pay	-	-	1.1	-	652.59	-
REMITA	-	-	48.5	-	20,724.63	-
NAPS	-	-	47.3	-	25,132.00	-
m-Cash	-	-	0.3	-	0.6	-
Central Pay	-	-	0.7	-	5.48	-
Total			3,002.90	10,145.76	167,014.36	1,245,658.13

Source: CBN, banks, NIBSS, switches, PSSPs and MMOs

NOTE

1. NIP, e-Bills Pay, REMITA, NAPS and Central Pay which were previously reported inter-scheme are now appropriately aggregated under the internet/web channel transactions
2. m-Cash is reported under USSD in 2020
3. MMO is not reported separately in 2020, as activities are carried out through other reported channels.
4. RTGS and NEFT were not previously reported





Retail Payments

Within the retail payment segment of the electronic payment system, greater use of electronic payment options was observed owing to the need to observe physical distancing protocols that accompanied the Pandemic while conducting financial transactions. Consequently, the volume of transactions on e-payments channels increased by 268.8 per cent to 10,716.6 million, compared with 2,906.1 million in 2019. The corresponding value of the transactions also rose significantly by 288.0 per cent to N470,123.40 billion, compared with N121,151.65 billion in the preceding year.



A breakdown of the volume of transactions using the e-payment channels showed an increase to 1914.2 million, 655.8 million, 769.2 million and 6480.6 million, compared with 839.8 million, 438.6 million, 377.3 million and 103.5 million for ATMs, PoS, mobile payments and Internet (web), respectively, in 2019.

Also, the value of transactions using the e-payment options showed an increase in value to N18,199.70 billion, N4,727.10 billion, N14,987.70 billion and N392,340.20 billion, compared with ~~N6,512.61 billion~~, ~~N3,204.75 billion~~, ~~N5,081.00 billion~~ and ~~N478.14 billion~~, respectively, in 2019.

The other retail payment channels such as USSD, Mobile Apps and direct debit, (which have now been captured as e-payment options in the review period), recorded significant number of payment transactions.

The number of transactions were 482.3 million, 411.5 million and 3.0 million, and their corresponding values were ~~N5,033.40 billion~~, ~~N32,400.90 billion~~ and ~~N2,434.40 billion~~, respectively for USSD, Mobile Apps and direct debits in the review period.

Analysis of the components of the e-payments channels showed a significant increase in the volume and value of transactions with the internet (web) dominating by 66.0 and 91.2 per cent in volume and value. The significant increase in the internet (web) payments option was attributed to aggregation of NIP, e-Bills, REMITA, NAPS and Central Pay payment platforms under the internet (web) channel transactions and the increased uptake of these channels to settle transactions by economic agents. The number of transactions by ATMs and mobile money payments channels accounted for 19.5 and 7.8 per cent, respectively, but in terms of value accounted for 4.2 and 3.5 per cent, respectively. The PoS was the least patronized in terms of volume and value of transactions with 6.7 per cent and 1.1 per cent of the aggregate.

Analysis of the components of the e-payments channels showed a significant increase in the volume (figure 7) and value (figure 8) of transactions with the internet (web) dominating by 66.0 and 91.2 per cent in volume and value. The significant increase in the internet (web) payments option was attributed to aggregation of NIP, e-Bills, REMITA, NAPS and Central Pay payment platforms under



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Figure 7: Composition of e-Payments Transactions by Volume, 2020 (per cent)

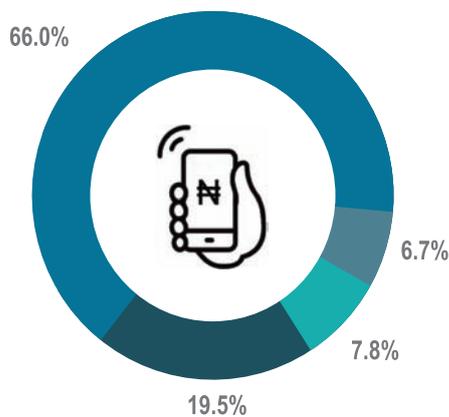
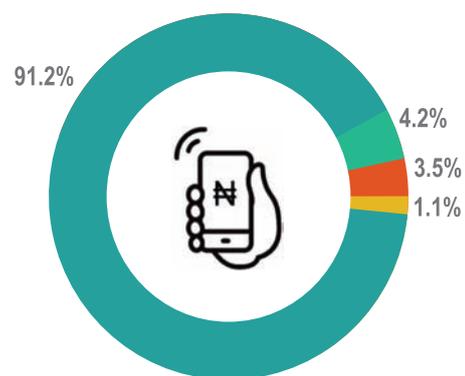


Figure 8: Share of e-Payments Transaction by Value 2020 (per cent)



Source: CBN

Transactions by cheques also increased in the review period, following the increased usage to settle financial transactions, as the volume of cheque increased by 156.1 per cent to 20.0 million, compared with 7.8 million in 2019. The value of cheque transactions also increased by 242.7 per cent to N15.42 trillion, compared with N4.50 trillion in 2019. The increase was attributed partly to wider capture of cheque transactions including intra-bank cheques.

2.5 PENSION SECTOR

Also, during the year under review, the recently launched micro pension scheme witnessed increased uptake. The number of registered micro pension participants increased from 39,686 in December 2019 to 62,463 as at December 2020. The cumulative pension contribution from micro pension participants increased from ₦71,769,125.64 in December 2019 to ₦89,128,934.38 as of December 2020.

2.6 CAPITAL MARKET SECTOR

Activities in the capital market largely reflected the dampened nature of economic activities in the country following the outbreak of the Pandemic during the year. However, the secondary segment of the market remained bullish as investors shifted their portfolio from the money market, due to low yield, as well as renewed optimism, following the rebound in crude oil prices and approval of the

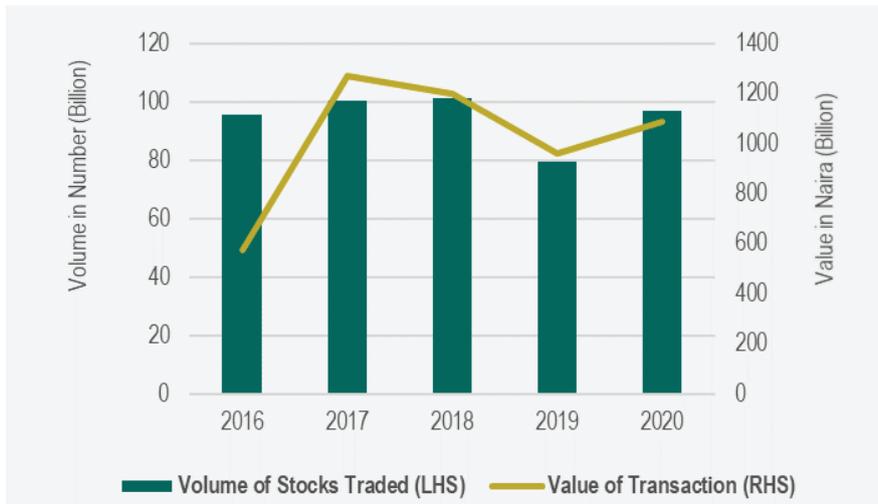


COVID-19 vaccines. Consequently, the NSE All Share Index (ASI) and equities market capitalization rose, with the ASI emerging

as the best-performing index in the world at the close of the year. The market turnover volume and value, similarly, trended upward at the end of the review period.

The cumulative volume and value of traded securities were 96.96 billion shares and ₦1,086.19 billion, respectively, in 1,156,830 deals at end-December 2020.

Figure 9: Volume and Value of Transactions at the NSE, 2020



Source: SEC/NSE

This represented an increase of 22.1 per cent and 12.6 per cent, compared with the preceding year's levels of 79.43 billion shares and ₦964.92 billion, respectively, in 884,138 deals. The bulk of the transactions were in equities, which accounted for 99.9 per cent of the turnover volume and 94.7 per cent of value of traded securities, compared with 99.9 per cent and 99.4 per cent, respectively, in the preceding

year. The average daily volume and value of traded equities were 370.02 million shares and N3.92 billion, respectively, compared with 325.52 million shares and N3.93 billion, in 2019.

The aggregate market capitalization of the 306 listed securities rose by 49.1 per cent to N38.59 trillion, compared with the level in 2019. This reflected an increase in the value of securities across different asset classes (equities, debt and ETF). Similarly, market capitalisation of the 161 listed equities rose by 62.4 per cent, to N21.06 trillion at end-December 2020, compared with the level in 2019. The equities segment constituted 54.6 per cent of aggregate market capitalization, compared with 50.1 per cent in 2019. There were eight banks in the top twenty (20) most-capitalized stocks on the Exchange, same as in 2019. The banks accounted for 15.9 per cent of the aggregate market capitalization, compared with

Figure 10: Trends in Market Capitalization and NSE Value Index, 2015 - 2020



Source: SEC/NSE



23.9 per cent in 2019.

STAKEHOLDERS' ACTIVITIES

Financial Inclusion activities are executed through a broad range of stakeholders. These stakeholder groups include regulators, apex associations of Financial Service Providers (FSPs), representatives of various financial consumer groups, the civil society and development partners.

The activities of these stakeholders are coordinated under the National Financial Inclusion Governing Structure. This structure consists of relevant Working Groups that report to a Technical Committee, and a Steering Committee (which is the apex Committee of the Governing arrangement).

This chapter highlights the activities of financial inclusion stakeholders and the Governing Committees for the reporting period.





3.1 NATIONAL FINANCIAL INCLUSION STEERING COMMITTEE (NFISC)

Despite the disruptive impact of the COVID-19 on physical meeting attendance, the Committee held its statutory meeting in December 2020 with the following outcomes achieved:

The 2019 Annual Report of the NFIS Implementation was approved.

The Framework for Advancing Women's Financial Inclusion in Nigeria was launched. The implementation of the framework is expected to increase women's financial inclusion as well as their access to finance.

3.2 NATIONAL FINANCIAL INCLUSION TECHNICAL MEETING (NFITC)

The quarterly statutory Committee meetings, due to COVID-19 disruptions, held twice in March and June 2020. The following outcomes were achieved:

Approval to conduct the National Financial Inclusion Stakeholder Forum. The Forum birthed the five high impact priority initiatives for financial inclusion namely: Access Points, Consumer Protection, Financial Literacy, Distribution Channels and Product Relevance.

Approval of the Strategic plan for the Financial Inclusion Week.

Approval to constitute a Steering Committee to review and redesign the Nigeria Financial Services (NFSSMap) user interface.

Constitution of a sub-committee to develop a compendium of payments platforms and channels, including descriptions on their usability and functionality to support Digital Finance System (DFS) uptake.

3.3 NATIONAL FINANCIAL INCLUSION WORKING GROUP MEETINGS:

The four Working Group meetings held twice in March and June 2020 respectively, during the year under review. The major achievements of Working Groups are as follows:

Financial Inclusion Products Working Group (FIPWG):

Notable achievements by member institutions of the Working Group included the commencement of BVN registration in 50 locations across the country by the Nigerian Inter-Bank Settlement Systems (NIBSS). The National Identity Management Commission (NIMC) enrolled over 41 million Nigerians for the National Identity Number (NIN). Also, the Nigerian Deposit Insurance Corporation (NDIC) established the Business Continuity Plan as well as crisis management system which was duly activated during the COVID-19 pandemic.

Financial Inclusion Channels Working Group (FICWG):

During the year under review, a notable achievement by member institution of the Working Group included the approval of an Address Verification System to address the Know-Your-Customer (KYC) verification and confirmation challenges for the industry wide and COVID-19 Agent Network working group established to drive strategies to boost agent's resilience in risk situations.



Financial Inclusion Special Interventions Working Group (FISIWG):

During the period under review, the Enhancing Financial Innovation and Access (EFInA) conducted the Gender Land Scape Study and collaborated with Financial Inclusion Secretariat in launching the Study in December 2020. The Bank of Industry (BOI) disbursed ₦1 Billion to vulnerable groups through Government Enterprises and Empowerment Programme (GEEP) to cushion the effect of the COVID-19 pandemic. In addition, a N250 million fund was set aside for a second tranche of disbursement to priority states with high COVID-19 cases.

Financial Literacy Working Group (FLWG):

Notable achievements made by FLWG during the period included the zonal training of trainers held to build the capacity of faculty members from the Financial Inclusion State Steering Committees (FISSCO) for the sustainability of National Peer Group Educators Programme (NAPGEP) initiative and, the training of Volunteer Corps Members (VCMs) in NYSC orientation camps. In addition, the Pilot run of the E-Learning platform was conducted with 7 out of 14 modules already converted to electronic format and the final testing of the M&E application signing for the hosting of the application on a specific server was carried out.

3.4 PROVIDERS

3.4.1 Bankers Committee

Activities of members towards the implementation of the Strategy include:

Financial Literacy:

Maximizing COVID-19 restrictions through the virtual space, a member institution empowered over one million Micro, Small and Medium Enterprises in Nigeria via a virtual financial literacy fair tagged “Connect Nigeria’s Annual Business Fair” in which more than 700 SME businesses were impacted. Business advisory services, accounts opening, profiling of customers for credits was rendered during the fair. Most member institutions during their financial literacy sensitizations in the year, collaborated with the National Identity Management Commission (NIMC) on National Identification Number (NIN) registration where the financially excluded were enrolled for easy access to financial services.

Credits:

During the year under review, members’ institutions provided credits financing to micro, small and medium enterprises (MSMEs), Women and Youth through several financial products at. A member institution’s Sterling Women and Youths in Agriculture Finance aimed at providing low-cost financing at single-digit rates to young men and women entrepreneurs in the agribusiness value chain across the country was a case in practice and designed in collaboration with the MasterCard Foundation. Furthermore, member institutions enticed the banking populace and in particularly, the unbanked products and start-up pack which allowed participants to earn passive income through referral scheme. An example is the One Partner programme of a member institution.

Fintech & Digital Solutions:

The COVID-19 pandemic opened a vista of opportunities for member institutions in boosting financial inclusion through deployment of fintech and digital solutions and spearheading future innovations in fintech development. A member institution in 2020, organized of a two-day digital exhibition of Hackaholics 2.0, themed ‘Connecting Worlds’ which aimed at expanding their digital innovation as



ideas garnered helped the member institution transform its financial products into working digital solutions. The 2020 edition focused on five essential areas – Health-tech (community health and disease management), Agric- tech, Edu-tech, Financial technology services and Gaming & Betting and winners received up to \$40,000 in funding alongside other numerous non-cash benefits.

3.4.2. Shared Agent Network Expansion Facility (SANEF):

SANEF in collaboration with relevant stakeholders increased its agent acquisition year on year by driving activities of super agents from 236,960 as at Dec 2019 to 561,044 in Dec 2020, with Agent Acquisition in the north upped to 431 per cent despite the security challenges/issues. Exceeding the set target of 500,000 Agents roll out nationwide, in addition, SANEF increased the number of licensed super agents and Mobile Money Operators to 26 in 2020. Similarly, recorded transactions at Agent locations increased to 405.7million transactions valued at N7.8 trillion with an appropriate dispute resolution mechanism introduced.

In 2020, SANEF held a capacity for Agents through a Financial inclusion Webinar with over 1,000 participants and nine (9) financial services Agent Forums (physical and virtual) across 6 (six) geopolitical zones in attendance. In collaboration with NIBSS during the year, SANEF strengthened the introduced technology platform which improved customers experience, connected all the Deposit Money Banks with the Super Agents/MMOs to enable account opening, dispute resolution, and made third-party social disbursements available at agent location.

3.4.3. The Nigerian Insurers Association (NIA):

Despite the challenges and setbacks of the COVID-19 pandemic, year 2020 was an eventful year for the Nigerian Insurers Association and her members in the financial inclusion spectra as a plethora of activities and products were engaged and launched. The Association upped the savings culture among Nigerian traders during the year under review with the launch of the Cornerstone Apprenticeship Savings Scheme (CASS) tagged “Oga Boy” which allows traders and shop owners to save periodically towards the lump sum amount due to their apprentices. The “Oga Boy” product target to garner about 10,000 policies within the first 12 months. In collaboration with several partners and government agencies such as the British Council, Money Matters, Lagos State Waste Management Agency (LAWMA), Money Africa, National Union of Road Transport Workers (NURTW Lagos Chapter), Connect Nigeria, Commercial Drivers, Players in the Agric Sector and Micro Small and Medium Enterprises (MSMEs), the Association and member institutions engaged and conducted several financial literacy programmes





and exercises both online and directly in Ekiti, Ondo, Osun, Lagos, Kwara States, FCT and across the country. The unbanked, underserved and financially excluded populace which comprised of young adults, low income earners, students, traders, artisans, road transport workers and commercial drivers, LAWMA officials, Security men, Farmers and Auto-mechanics were educated on insurance, its benefits and sundry financial literacy issues, particularly, micro-insurance for the informal sector. In total, over 200,000 persons were impacted through these programmes with majority taking up personal and micro-insurance policies.

Furthermore, the NIA together with member institutions and partners in 2020, deployed the Nigerian Insurance Industry Portal (NIIP) for the sale of Motor insurance as well as launched a web-based application for Marine Cargo Insurance. Other initiatives and activities embarked upon by the Association and her members, aimed at expanding channels of distributing insurance products thereby making them available for more people for offtake included Partnership with CIG Motors and Other Banks on Vehicle Financing Product Package; Welfare scheme for low income earners such as okada riders; launch of Skilled Financial Advisers Scheme (SFA); Distribution of Home Protection Policy and Enhanced Motor Third Party; Development and launch of USSD/Mobile App for retail insurance sales and Customer Service Week which had the presence of a United Nation Ambassador and former Captain of Super Eagles.

3.4.4 Non-Interest Finance Association of Nigeria (NIFAN)

The Association and her members, during the period under review, stimulated the financial appetite of the unbanked and underserved populace with non-interest products and offerings through agent banking. A typical example was the launch of TAJXpress Agent which provided a platform for agents within the Northwest and Northeast regions and the Federal Capital Territory which created additional income stream for persons trained and engaged as agents as well as created a channel of interaction with the member institution and the public. Furthermore, member institutions leveraged on virtual platform, due to COVID-19 restrictions, to conduct and create mass financial literacy awareness on non-interest finance, products and services such as the sukuk (Islamic bond) and mutual funds.

3.4.5. The NIRSAL Microfinance Bank

In 2020, NIRSAL Microfinance Bank appointed the Young Entrepreneurs of Nigeria (YEN) as an entrepreneurship development partner to provide entrepreneurship development and entrepreneurial training for young Nigerian entrepreneurs and micro, small and medium enterprises (MSMEs) seeking access to credit through the Agric-Business, Small and Medium Enterprises Investment Scheme (AGSMEIS). NIRSAL Microfinance Bank, during the period, disbursed the Central Bank of Nigeria ₦50 billion Targeted Credit Facility stimulus package to support households and MSMEs, to cushion the effects of the COVID-19 pandemic.

3.4.6 The Nigeria Stock Exchange (NSE):

The Nigeria Stock Exchange, in 2020, increased financial literacy awareness amongst secondary and tertiary school students through the Global Money Week, Commemoration of World Investors Week and, conduct of an X-tour of the Exchange. The tour provided participants with knowledge of financial products offering available in the Nigerian capital market with on-the-spot interaction with brokers and simulation of securities are traded on the NSE bourse. Exploring digital channels to increase financial literacy and reach more targets was proposed going forward in view of the pandemic resurgence.



3.5 ENABLERS

3.5.1 The Central Bank of Nigeria

Despite the COVID-19 disruption of activities globally and, Nigeria, the Central Bank of Nigeria showed her resilience during the period under review, in pushing the economy and financial inclusion with notable policies and these include:



3.5.1.1 Issuance of Framework on Regulatory Sandbox Operation in Nigeria

On December 20, 2020, the CBN issued the framework which allowed small-scale, live testing of innovations by private firms in a controlled environment under the regulator's supervision. The framework defined the establishment, rules and operations of a Regulatory Sandbox for the Nigerian Payments System to promote financial inclusion alongside other related objectives.

3.5.1.2 Issuance of Regulatory Framework for Open Banking in Nigeria

The CBN, in 2020, further boosted the financial inclusion drive with the Regulatory Framework for Open Banking in Nigeria that established principles for data sharing across the banking and payments ecosystem, which will promote innovation, broaden the range of financial products and services, and deepen financial inclusion.

3.5.1.3 Framework on Advancing Women's Financial Inclusion

The Bank, in collaboration with other stakeholders, approved and formally launched the Framework on September 28, 2020, and it aimed at granting women easy access to finance for women to burgeon their inclusion. Four Communities of Practice (CoPs) to implement four strategic imperatives of the Framework were inaugurated and the COPs work-plans had been developed and bilateral engagements on activities also commenced.

3.5.1.4 Other Initiatives

Other critical initiatives aimed at driving financial inclusion deployed by the Bank in collaboration with other stakeholders during the period under review included: the SabiMONI platform, a financial literacy platform for financial inclusion; National Peer Group Education Programme (NAPGEP) launched officially in September 19, 2020 which leverages serving National Youth Service Corps (NYSC) members to drive financial inclusion in their host communities and Nigerian Financial Services Map (NFSmap) aimed at developing a dynamic financial services access point map to further drive financial inclusion.

3.5.2 National Pension Commission (PENCOM):

In the year under review, PENCOM recorded a total of 19,114 new contributors, amounting to N46.7 million higher than N18 million contributed in 2019 from the informal sector workers under its Micro Pension Plan (MPP). This was a sharp drop from the 39,686 contributors registered in 2019 and was attributable to the challenges occasioned by the COVID-19 pandemic. The total number of registered contributors since the inception of the MPP in 2019 stood at 58,800 with N46.7 million contributed.



3.5.3 The National Insurance Commission (NAICOM):

The Commission in 2020 issued new insurance licenses to four underwriting firms and one reinsurance company namely: Heirs Insurance (General), Stanbic IBTC Insurance Limited (Life), Heirs Insurance Life Assurance Company Nigeria Limited, Enterprise Insurance as well as FBS Reinsurance Limited. Thus, the total number of registered





insurance companies in Nigeria to 63. Also, in 2020, Mr. Sunday Thomas was appointed the substantive Commissioner for Insurance/Chief Executive Officer of NAICOM.

3.5.4. National Identity Management Commission (NIMC):

In view of the National Identity Number (NIN) being a key enabler of financial inclusion, the Commission, in 2020, licensed and on boarded shortlisted successful agents in her on-going Licensing of Enrolment agents for the Digital Identity Ecosystem Project, to enroll citizens and legal residents into the National Identity Database and issue them a National Identification Number (NIN) through the NIMC Verification Service portal. It is expected that 187 million people will be enrolled during this project with 187 million NINs issued in order to have unfettered access to a wide range of financial services including Banking, Insurance and Pension and other government services as their identities will be verified in real time.



3.5.5 Nigerian Communications Commission (NCC):

In 2020, the Commission in collaboration with the Central Bank of Nigeria, commenced the Unstructured Supplementary Service Data (USSD) cost study aimed at having a unique and acceptable USSD session pricing for financial services rendered to consumers through the USSD platform and to curtail arbitrary USSD charges. A new USSD charging proposal was developed at the end of the study in June 2020. Also, the Commission carried out financial literacy sensitization of its staff and telecom consumers on Digital Financial Services, Financial Inclusion, Payment Service Bank, Mobile Money and fraud issues during the period under review.



3.5.6. Federal Ministry of Finance Budget and National Planning

The Federal Ministry of Finance Budget and National planning conducted a one-day programme tagged “YOU WIN! CONNECT ENTERPRISE EDUCATION WORKSHOP AND BOOK DISTRIBUTION” in all NYSC Orientation Camps across the 36 States of the country including Federal Capital Territory. The Ministry worked in collaboration with the Federal Government to finance the programme.



The programme was designed for Nigerian youth within the ages of 18-45 years, with special focus on student of higher institutions and fresh graduates who were undergoing the one-year mandatory National Service (NYSC). At the end the programme, about twenty-two thousand (22,000) copies of Enterprise Education Books titled ‘Successful Nigerian Entrepreneurs: How They Started’ were distributed to corps members.

3.5.7 Federal Ministry of Humanitarian Affairs Disaster Management and Social Development (FMHADMSD)

During the year under review, the FMHADMSD in collaboration with Bank of Industry and other stakeholders, championed the Government Enterprise and Empowerment Programme (GEEP) implementation which was one of the four (4) social intervention programmes under her purview. GEEP, being one of the National Social Inclusion Programme (NSIP) for direct delivery of credit to commercially active individuals at the bottom of the pyramid, it addressed the credit and financial inclusion challenges of 37m enterprising Nigerians at the base of the economic pyramid. The Ministry, through the GEEP





programme engaged about 2,328,479 beneficiaries which comprised of 54.3 per cent Women and 53 per cent Youths (18 -35 years) across three (3) schemes namely - FarmerMoni, TraderMoni and MarketMoni with a total of ₦36.3bn disbursed. Also, a total of 1.95 million new mobile wallets and 319,000 new bank account users were recorded during the exercise.

In addition, the Ministry embarked on the National Home School Feeding Program (NHGSEP) which targeted pupils in primary 1-3 in public schools to receive one free nutritious meal for two hundred days in a year. The NHGSFP engaged 103,028 cooks and each cook opened bank account and registered for BVN and was provided with capacity building on financial literacy.

3.5.8 Federal Ministry of Women Affairs and Social Development

The Ministry conducted the following programmes from 20 August to 10 September 2020: capacity workshop for women entrepreneurs in Micro, Small and Medium Enterprises (MSMEs)



and capacity building /training empowerment for women in vocational skills. The objective of these programmes was to provide financial management information to women to cushion the effect of COVID-19 pandemic for sustainability of their businesses, provide financial stimulus to business owners and ultimately, lift Nigerians from poverty and help build sustainable businesses with the right vocational and financial management skills. About 700 women were equipped with the business/financial management information on how to start, manage and sustain their businesses.

3.5.9 Federal Ministry of Youth & Sports Development

In 2020, the Ministry in collaboration with other stakeholders conducted a weeklong National Peer Group Educator Programme on Financial Inclusion for Volunteer Corps Members (NAPGEP) for



selected NYSC Volunteer Corps Members (VCMs) in order to disseminate the knowledge acquired to increase the financial levels of the vulnerable and marginalized segment of the Nigerian society with a view to achieving the 80 per cent inclusion rate. Target group included Youth, MSMEs, Farmers Group and Market Men/Women. At the end of the programme about 1,415 Volunteer Corps Members (VCMs) were trained during three (3) streams of the 2020 Orientation Courses in 15 States and the FCT.

3.6. SUPPORTING INSTITUTIONS

3.6.1 Enhancing Financial Innovation & Access (EFInA)



EFInA in collaboration with Data2X and Financial Alliance for Women delivered a workshop on sex-disaggregated data to improve women's financial inclusion. The objective of the workshop was to highlight insights on how financial service providers could use sex-disaggregated

data to develop and roll out products to key target groups, especially to open up new customer segments. The workshop was attended by about 50 participants including financial services providers, regulators and other key players in the financial services space.

3.6.2 Deutsche Gesellschaft Fuer Internationale Zusammenarbeit (GIZ)



To strengthen the financial capabilities in Nigeria, accelerate the outreach and streamline quality of financial literacy trainings and become a Certified



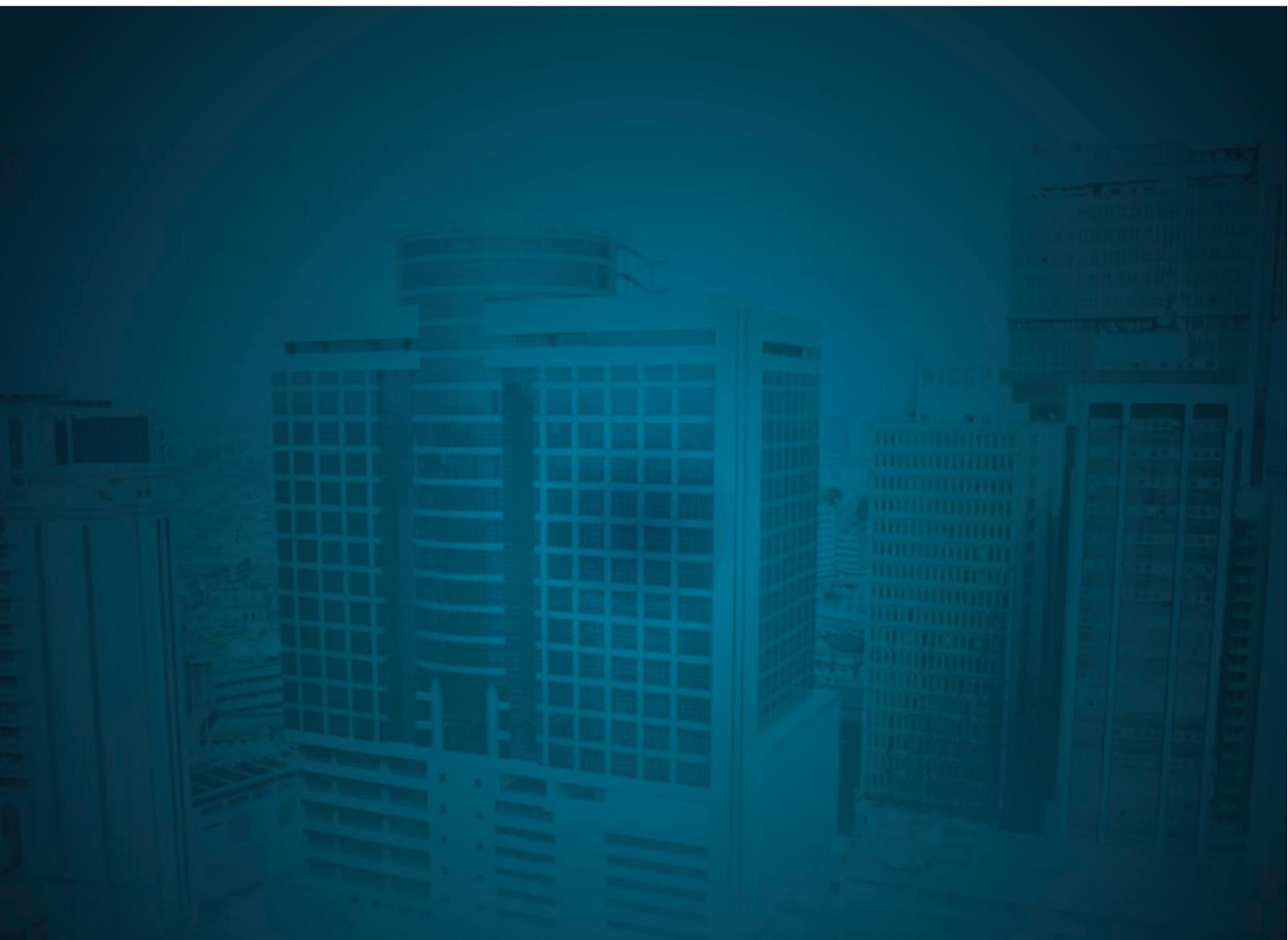
STRATEGIC IMPLEMENTATION



4



This chapter presents the statistical measure of progress made during the year under review and is highlighted under three sub-headings, namely: Products, Channels and Enablers.





4.1 PRODUCT INDICATORS

Five financial products were tracked for the purpose of measuring financial inclusion penetration. The products are payments, savings, credit insurance and pension. This sub-section of the report highlights quantitative measure of progress on these products during the review period.

Table 4: Status of the Key Performance Indicators as of December 2020

Definition of Indicators		Baseline 2010	Actual 2017	Actual 2018	Actual 2020	Target 2020	Gap 12-2020	Status (Missed / Achieved)	Target 2020
	Payments % of adult population having a payment product with a formal financial institution	22%	31.3%	40%	45% (47.7m)	70%	25%		70%
	Saving % of adult population having a savings product with a formal financial institution	24%	31.3%	24%	32% (33.9m)	60%	28%		60%
	Credit % of adult population having borrowed or paid back a loan through a regulated financial institution over the last 12mths	2%	5.4%	2%	3% (3.2m)	40%	37%		40%
	Saving % of adult population covered by a regulated insurance policy	1%	1.1%	2%	2% (2.1m)	40%	38%		40%
	Pensions % of adult population registered with a regulated pension scheme	5%	8.4%	8%	7% (7.4m)	40%	33%		40%

**Where Indicators are not directly measurable, proxies are used and explained.
The financial exclusion status per state was estimated using the 2020 EFINA A2F 2020 Survey.*



4.1.1 The Bank Verification Number (BVN)

The Bank Verification Number is a unique identity number issued to every individual who own a regulated account in the Banking sector. As of December 2020, the number of people who had a BVN increased to 45,975,959 from 40,704,517 in 2019. An analysis of gender disaggregated data indicated that more males (26,327,993) were banked compared to female (19,647,966).

Figure 11: Total Number of BVN Registered in Nigeria



Source: NIBSS, Lagos

4.1.1 Electronic Payments

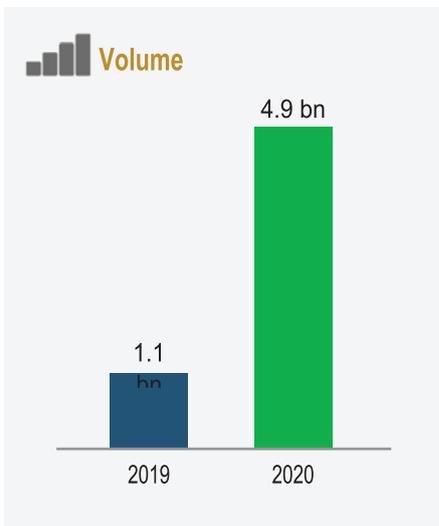
Key activities in 2020

As of December 2020, ten (10) banks and fifteen (15) non-bank institutions had obtained commercial licenses as Mobile Money Operators (MMOs) while three (3) banks and four (4) non-bank institutions had Approval in Principle (AIP) to operate as MMOs.

Status and Trends in 2020

The supply-side data shows a significant improvement in the volume and value of electronic payment channels. The volume and value of NIBSS Instant Payment (NIP) increased significantly to 4.99 billion transactions with a value of

Figure 12: NIP Transactions



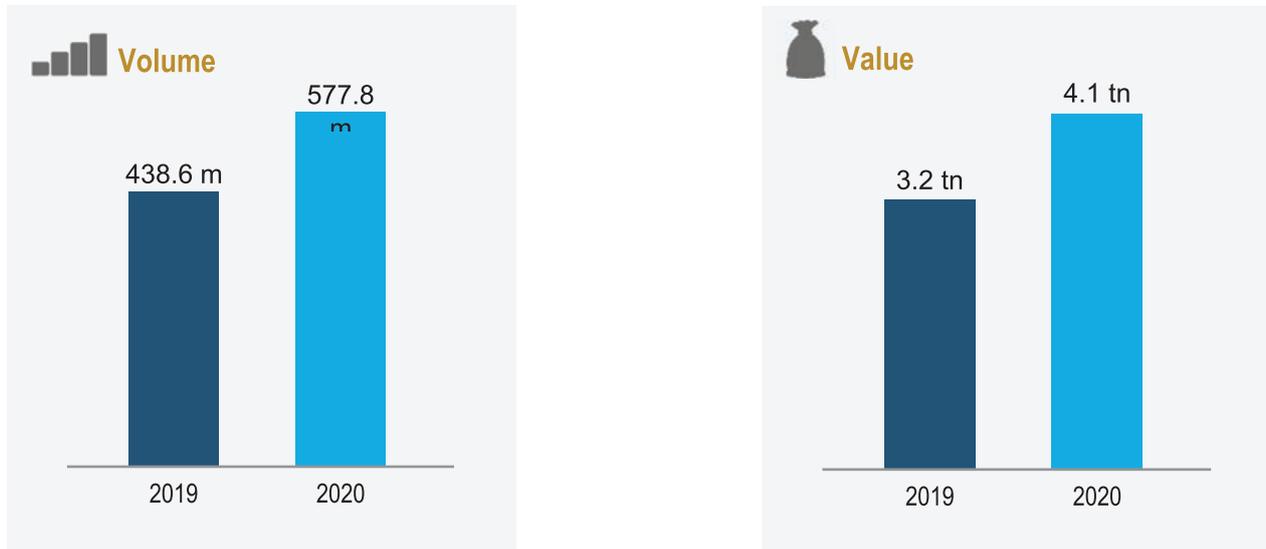
Source: NIBSS, Lagos

billions with a value of ₦345.4 trillion in 2020 from 1.1 billion transactions with a value of ₦105.2 trillion in 2019.



Similarly, the volume and value of PoS transactions increased to 577.85 million transactions valued at ₦4.15 trillion in 2020 from 438.6 million transactions valued at ₦3.2 trillion in 2019.

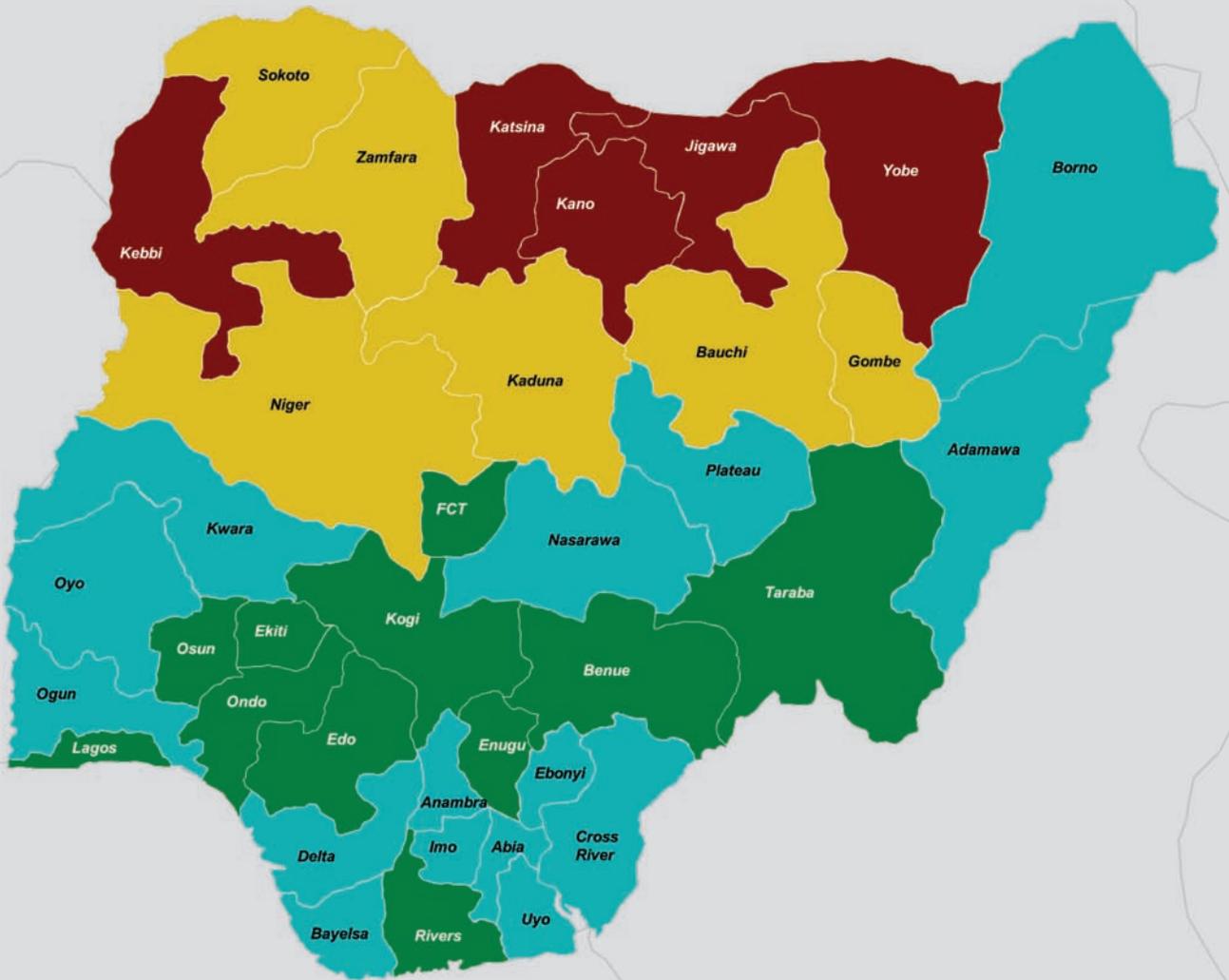
• Figure 13: POS Transactions •



Source: NIBSS, Lagos



Exclusion Rates Across the States

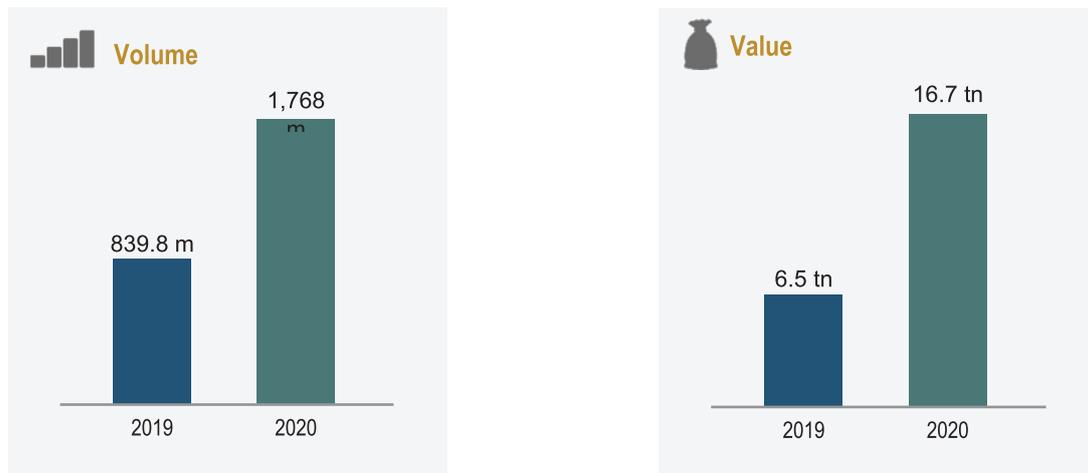


Legend





Figure 14: ATM Transactions



Source: NIBSS, Lagos

There was a significant increase in the volume of ATM transactions to 1,768.77 million transactions valued at ₦16.69 trillion in 2020 compared to 839.8 million transactions valued at ₦6.5 trillion in 2019

Way forward and Future Outlook

The National Financial Inclusion Strategy advocates a target of 70 per cent payments by 2020 but as at end December 2020; there still exists a 30 per cent gap in the achievement of the target. However, the reaffirmation of the strategic significance of adopting Digital Financial Services in the reviewed NFIS continues to provide the needed stimulus for initiatives targeted at driving increased e-payments.

4.1.2 Savings

The total number of deposit accounts by regulated financial institutions increased to 175.38 million in 2020 from 142.9 million in 2019. These comprised of accounts held by Deposit Money Banks (153.24m in 2020) and accounts held by Microfinance Banks (22.14m in 2020). It should be noted that this figure does not give the unique number of account holders as an individual may hold more than one account in 2 or more financial institutions. However, the unique bank verification number registration affirms that there were 45.9 million unique BVN by December 2020.

Table 5: Statistics of Deposit Accounts

	2019 (million)	2020 (million)	% Change
Total number of deposit account in DMBs	128.1	153.2	-9.6%
Total number of deposit accounts in MFBs	14.8	22.1	+49.3%
Total number of accounts that can be used for financial transactions	142.9	175.4	-4.5%
NB: Accounts not for unique individual account holders.		Source: Compiled from monthly returns from FSPs	



Way forward and Future Outlook

Access to formal savings represents the primary point of contact for the unbanked population to access the formal financial system. Using the prescribed 2020 target, a minimum of 12.5 million previously unbanked Nigerians need to be formally included in the financial system to achieve 80 per cent financial inclusion. This group of persons may be brought into the formal financial system either through the opening of a bank account or a mobile wallet. In either case, new entrants into the formal system are expected to obtain a Bank Verification Number.

4.1.3 Credit

Key Activities in 2020

Access of credit to the real sector stimulates the production and distribution of goods and services to meet aggregate demand. Consequently, to promote increased credit to the economy, the CBN increased the Loan-to-Deposit ratio to 65 per cent to enhance increased lending to the real sector and deepen financial inclusion in the country.

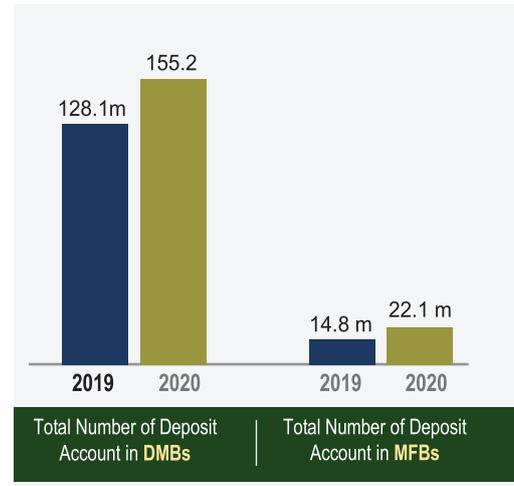
Status and Trends in 2020

From the industry data, the total number of credit accounts rose to 8.67 million accounts (made up of 3.47 million in DMBs and 5.20 million accounts in MFBs) from the previous year's figure of 6.31 million accounts (made up of 2.87 million accounts in DMBs and 3.44 million accounts in MFBs). If these credit accounts were owned by unique individuals, it would have indicated that about 5 per cent of the adult population had a credit account in 2020. This lags behind the year's target which expects 40.0 per cent of adults to have access to credit.

4.1.4 Insurance

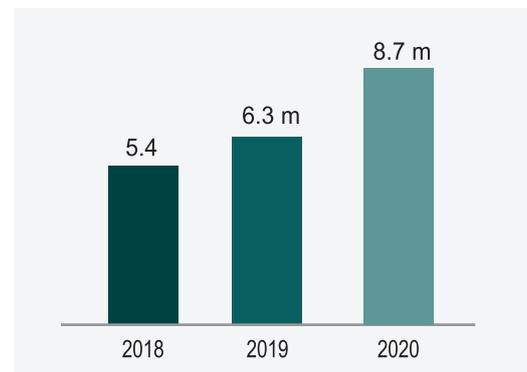
Insurance penetration remained below the target of 36.2 per cent set for 2020 as available data indicated a marginal increase of 2.50 per cent during the review period. A total of ₦520.94 million was realized as gross premium income in 2020 compared with ₦508.23 million in 2019. Similarly, the sum of ₦161.55 million was paid as net claims in 2020 compared with net claims of ₦151.93 million paid in 2019.

Figure 15: Total Number of Savings and Current Accounts in Nigeria



Source: CBN

Figure 16: Total Number of Credit Accounts in DMBs and MFBs





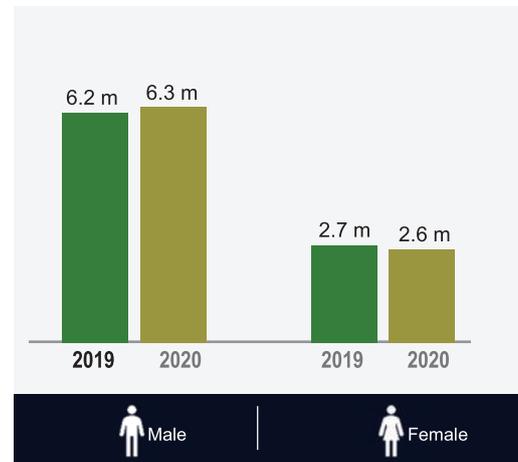
4.1.5 Pension

Pension penetration also remained below the year's target. A total number of 22,777 participants registered in the Micro Pension sub-sector during the review period compared with 39,686 participants that registered in 2019. The sum of ₦71.77 million was received as pension contributions from MPP participants in 2020.

A total number of 62,463 participants have registered in the sub-sector from inception of the scheme in March 2019 to December 2020,

Furthermore, the number of adult male Nigerians contributing to Pension Scheme supervised by PenCom increased to 6.32 million as at end December 2020 compared with adult female Nigerians' contributors of 2.63 million within the same period.

Figure 17: Number of Contributors to Pension Scheme Supervised by PenCom



Source: CBN

4.2.1 Bank Branches

As of December 2020, the total number of commercial banks branches and cash centers decreased to 5,211 from the previous year's figure of 5,432. Consequently, the number of DMB branches per 100,000 adults was 5. The decline in the number of branches could be attributed to the impact of the COVID-19 lockdown in the country where some branches of commercial banks/service centers were shut down as well as the increased use of electronic and branchless channels financial service delivery.

4.2.2 Microfinance Branches

As at December, 2020 the number of Microfinance Bank branches decreased to 1,732 from 2,132 in December 2019. The number of MFB branches per 100,000 adults in 2020 remained at 2.

Table 6: Key Performance Indicators for Channels of Distribution

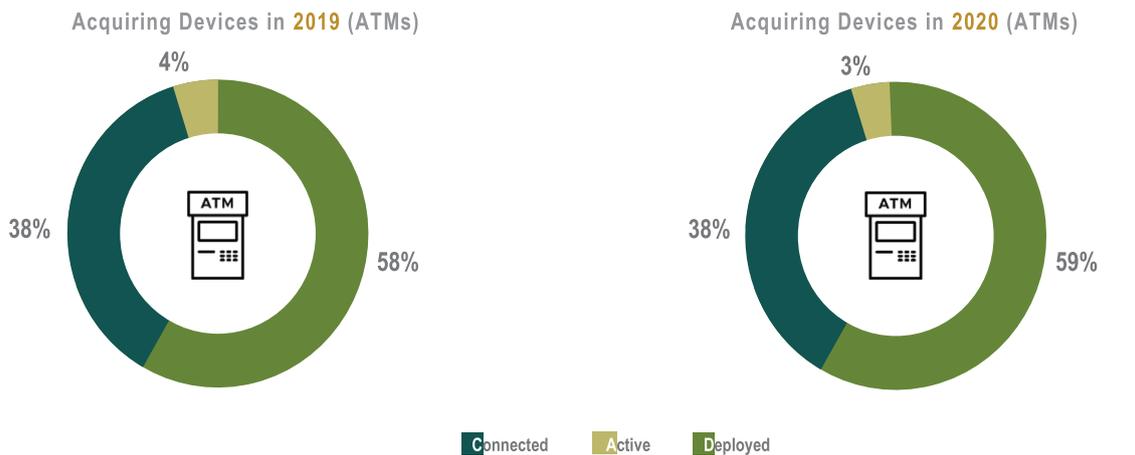
Definition of Indicators	Baseline 2010	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Gap to 2020	Trend (2019 - 2020)	Status (Missed / Achieved)	Target 2020
DMB branches per 100,000 Adults	6.8	4.9 (5,049 Branches)	5.4 (5,404 Branches)	5.2 (5,432 Branches)	4.9 (5,311 Branches)	2.7	↓	Missed	7.6 (8,000 Branches)
MFB branches per 100,000 Adults	2.9	2.3 (2,197 Branches)	2.0 (2,044 Branches)	2.1 (2,132 Branches)	1.6 (1,732 Branches)	3.4	↓	Missed	5.0 (5,300 Branches)
ATMs per 100,000 Adults	11.8	18.0 (18,028 ATMs)	19.0 (18,910 ATMs)	16.9 (17,518 ATMs)	17.9 (18,939 ATMs)	41.7	↑	Missed	59.6 (63,000 ATMs)
POS devices per 100,000 Adults	13.3	130.7 (136,016 POSs)	218.0 (217,283 POSs)	180.4 (186,774 POSs)	286.2 (303,349 POSs)	563.8	↑	Missed	850.0 (899,000 POSs)
Agents per 100,000 Adults	0.0	10.7 (11,104 Agents)	38.6 (38,416 Agents)	228.8 (236,940 Agents)	529.3 (561,044 Agents)	56.8	↑	Missed	472.5 (500,000)



4.2.3 ATM and POS

ATMs: As at December, 2020 the average number of ATMs deployed monthly across the country in absolute terms stood at 22,322 which indicated an increase of 23.8 per cent from the preceding year's figure of 18,034 machines. The number of ATM machines deployed per 100,000 adults also increased to 17.87 in 2020 from 16.92 in 2019.

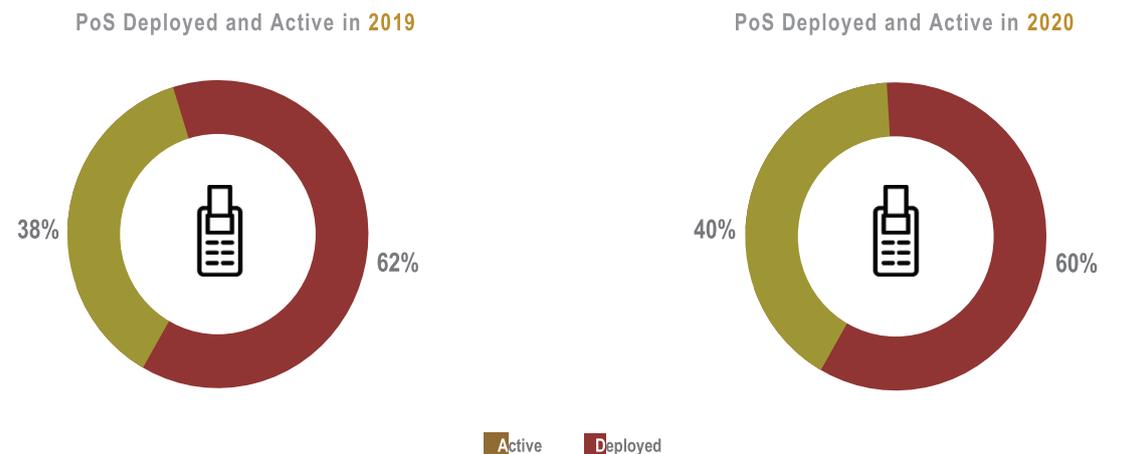
Figure 18: Number of ATMs Deployed in 2019 and 2020



Source: CBN

POS: Total number of POS devices deployed and connected as at December 2020 rose to 459,285 from the 2019 figure of 303,162. Similarly, total number POS devices used increased to 303,349 in 2020 from 186,774 recorded for 2019. Therefore, active PoS devices per 100,000 adults increased to 286.18 in 2020 from the previous year's record of 180.4.

Figure 19: Number of Point-of-Sale Machines Deployed in 2019 and 2020



Source: CBN



Photo credit: <https://www.pymnts.com/news/>



4.2.5 Agents

SANEF reported that there were 561,044 unique Agents spread across the 774 LGAs in Nigeria as of December 2020 compared with 236,940 Agents in 2019. It also increased agent acquisition in the north by 431 per cent despite the security challenges/issues.

SANEF also increased the number of SANEF super agents/MMOs from 18 to 26 during the review period and facilitated an increase in the number of Financial Access Points to serve the excluded population from 229 Agents in December 2019 to 529 agents per 100,000 adult population in December 2020.

Figure 20: Number of Agents per 100,000 Adults

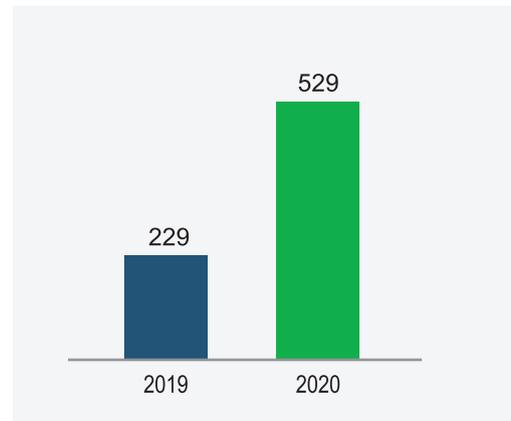
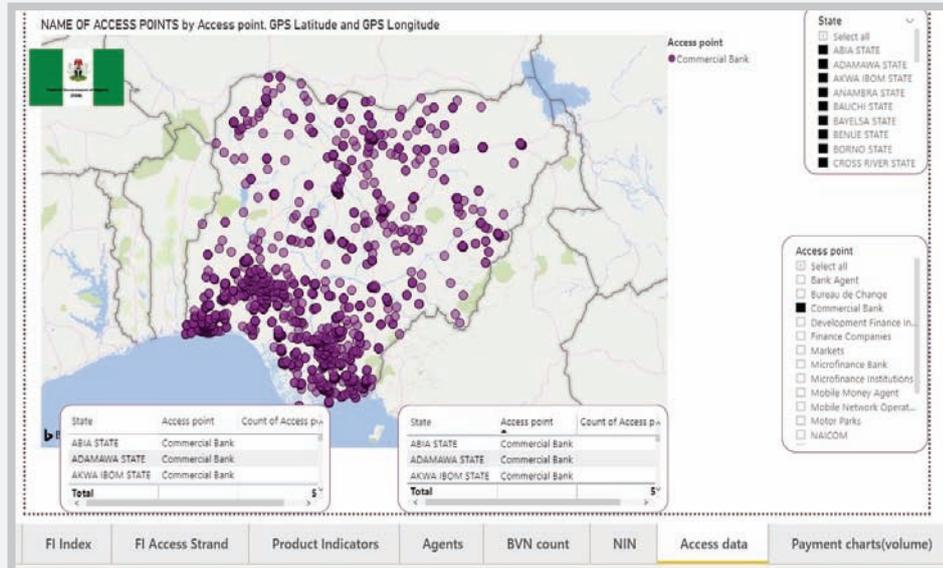




Figure 21: Geographical Spread of Financial Access Points in Nigeria

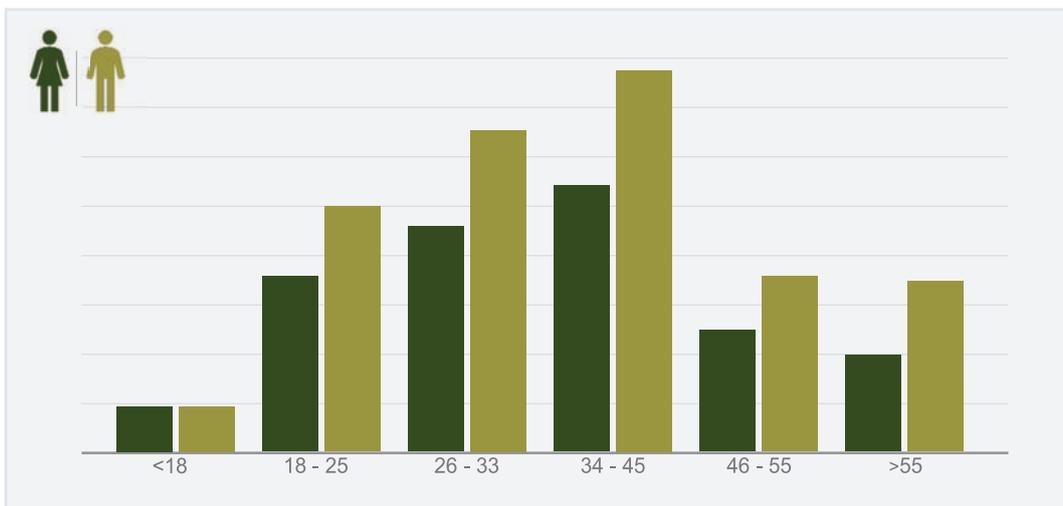


4.3. ENABLERS

4.3.1 Know Your Customer (KYC) / ID

As of December 2020, the National Identity Management Commission (NIMC) reported that a total of 44.46 million Nigerians had been issued the National Identity Number (NIN) compared with 39.4 million in 2019. Of this figure, 18.33 million were female while 26.13 million were male. In terms of age bracket, 12.63 million were between 34 and 45 years of age while 10.73 million were between 26 and 33 years of age. The lowest figure was recorded for people less than 18 years of age with only 1.81 million registered NIN.

Figure 22: Total Number of National Identity Number Issued to Nigerians



Source: National Identity Management Commission

The NFIS’s target was to issue NIN to 100 per cent of all Nigerians by the end of 2020. As it stands, only approximately 40 per cent of Nigerians had NIN at the end of the review period.



FUTURE OUTLOOK

This chapter presents the summary of 2020 activities and the future projections for strategy implementation, beyond the 2020 timeline. The section also outlines recommended priorities for achieving 95 per cent inclusion rate in Nigeria

5



5.1. FINANCIAL INCLUSION AND ECONOMIC RECOVERY FROM COVID-19

2020 was an unusual year, with unusual actions to sustain the drive for financial inclusion as the impact of the global COVID-19 pandemic continued throughout the year. The knock-on effect of the extended lockdown and skeletal business activities was particularly felt among vulnerable population such as women, youth, rural dwellers and small, medium and microenterprise. Consequently, about 86 million or 80 per cent of Nigerian adults suffered negative impacts on their livelihoods, with as high as 63 per cent of them combatting reduction in their incomes (EFInA, 2020). This called for concerted stakeholder efforts geared towards economic recovery in the country. Thus, objective consideration for these spill-over effects on economic activities necessitated a re-appraisal of financial inclusion initiatives in 2020 and beyond.

The Research Studies on “COVID-19: Impact on Financial Lives and Livelihood in Nigeria” and “Financial Services Agent Survey” conducted by EFInA within the year revealed major impacts of the pandemic on food security, decreased income, increased remittances and limited access to finance. Key insights from the surveys included the following:

- 80 per cent of financial agents report that business has been negatively impacted (access/distribution)
- 61 per cent of farmers say it is more difficult to sell crops or livestock compared to the same season last year (Supply chain breakdown)
- 56 per cent of Nigerians reported lower income earned by the breadwinner (income)
- 31 per cent say that at least one person in the household has eaten fewer meals in the last week because there was not enough food (food security/consumption)
- 33 per cent say that the waiting time to see an agent has increased (service quality)
- 18 per cent say it is harder to get access to medicine and/or medical care (health risk)
- 8 per cent of agents received support from their principals to support family needs (social palliatives)

The main recommendations to guide stakeholder financial inclusion focus were rapidly expanding digital financial services to reach low-income people; digitizing humanitarian payments/social services and digitizing value chains for agriculture, transport, logistics and exports.

Accordingly, under the auspices of the National Financial Inclusion Governance Committees; public-private sector collaboration across the banking, microfinance, insurance, pension, capital market and other sectors were sustained throughout the year. Key initiatives were centered on categorizing some financial and allied services as essential to facilitate access to finance for the public during the period of the lockdown.

This move was supported by rapidly expanding digital channels to the unbanked and underserved areas: leveraging agent networks. Major behavioural change observed in the conduct of financial transactions as the lockdown and limited operating hours of some financial access points persisted has been positively influencing the increase in the adoption and usage of alternative channels (Mobile, Cards, Agents, ATM and POS). The opportunity afforded by the social distancing protocols



also calls for collaborations evolving from majorly face to face to the virtual realm, as a means of promoting quick turnaround time on decisions and innovations.

The importance of broadening access to finance and supporting resilience for the poor and vulnerable population beyond the pandemic, through targeted interventions and policies cannot be over-emphasized. For example, the Central of Nigeria (CBN) undertook several measures in this respect, notably:

1. Regulatory forbearance to financial institutions to restructure the terms of existing credit facilities in affected sectors; while ensuring business continuity, un-interrupted and safe banking services across the country
2. Strengthening of the Loan-Deposit Ratio (LDR) policy to expand the lending capacity of banks to individuals and businesses
3. Restructuring of intervention credit facilities to individuals and micro, small and medium enterprises (MSMEs)
4. Additional one-year moratorium and a reduction in interest rates on Intervention credit facilities from 9 per cent to 5 per cent, to lessen the burden of repayments on borrowers
5. Establishment of the ₦100 billion credit facility for indigenous pharmaceutical companies and health care value chain players to build and expand the capacity of the health sector
6. Establishment of the ₦50 billion targeted credit facilities for affected households and MSMEs in the critical sectors of agricultural value chain; health, hospitality, manufacturing and airline services
7. Provision of ₦1 trillion in intervention credit facilities to boost local production and manufacturing in the critical sectors

In addition to the direct policy measures undertaken; the CBN has also been in the forefront of the private sector-led Coalition Against COVID-19 (CACOVID) and has supported the building of isolation centres and donation of testing equipment to the Nigeria Centre for Disease Control (NCDC) to combat the pandemic. The Bank actively coordinates with the Presidential Task Force on COVID-19 response and other fiscal authorities on a broad range of actions towards ameliorating the impact of COVID-19 on the Nigerian economy.

Close monitoring of the impact of these and other similar measures are recommended to assure timely adaptation of policies and market innovation to match the on-ground realities.

5.2. BEYOND 2020: FINANCIAL INCLUSION IN NIGERIA

The financial inclusion rate of 64.1 per cent (EFInA, 2020) is evidence that there remains significant room for growth in the country. The CBN Governor's declaration of a 95 per cent financial inclusion target by 2024 further raises the bar to be attained in Nigeria's financial inclusion journey, beyond 2020. As pronounced in the Governor's 5-Year policy thrust covering 2019-2024, the CBN's priority focus remain "foster the development of a robust payments system infrastructure that will increase access to finance for all Nigerians thereby raising the financial inclusion rate in the country". Notably,



the ultimate objective is to facilitate the inclusion of 95 per cent of eligible Nigerians into the financial services by 2024.

The revision of the National Financial Inclusion strategy in 2018 revealed the overriding importance of closing five financial inclusion gaps: gender (Women), youth (aged 18 – 35 years), rural-urban (higher exclusion in rural areas), regional (Northern Nigerian) and the formality gap (Micro, Small and Medium Enterprises) with disproportionate access to finance. The identified priority themes are anticipated to remain the fulcrum of strategy implementation by stakeholders in the near future:

1. **Building Necessary Foundations:** Creating a controlled and enabling environment for innovation to thrive; expanding Agent networks and accelerating issuance of the national identity number to all citizens.
2. **Unlocking High Potential Models:** Promoting Digital Financial Services (DFS) to foster innovation in serving the last mile excluded population.
3. **Broadening and Deepening Inclusion:** Investing in tailored savings and credit products, accelerating digitization of government payments, including social transfers and Government to Persons (G2P), Persons to Government (P2G) and Financial and Digital literacy

In specific terms, strategy implementation initiatives by stakeholder must continue to seek to overcome the identified barriers to financial inclusion namely, (i) Distance barrier (long distance to financial access points) (ii) Eligibility barrier (onboarding requirements/documentation) (iii) low financial literacy (iv) lack of income (limited productive enterprise and income generation) and (v) high cost of services (disincentive for adopting financial services). Others are socio-cultural constraints that may hinder access to/usage of appropriate financial services by various segments of the society.

Some of the recommended measures to advance the financial inclusion rate along financial products and channels are as follows:

1. **Payment:** The availability and wide dispersion of digital channels (ATMs, Agent banking, USSD, Point of Sale Merchants and other Branchless Banking services.) remain essential for enabling easy and convenient access to appropriate financial services for targeted population. End-to-end digitization of value chains for sectors diverse sectors, e.g., agriculture, MSMEs, transport/logistics, hospitality and services, are critical for the rapid adoption of DFS and financial inclusion
2. **Savings:** Flexible and risk based Know Your Customer (KYC) requirements to support account opening and transactions within pre-determined limits. Appropriate product design by financial services providers is also essential for inculcating an enabling savings habit among
3. **Credit:** Targeted policies and interventions to expand the lending capacity of financial institutions to advance credit to individuals and businesses in the critical sectors of the economy; particularly agriculture, MSMEs, manufacturing, hospitality, healthcare, services, etc.
4. **Insurance:** Broader adoption of the Micro and Takaful (Ethical) insurance guidelines that supports insurance window operations for serving low-income individuals and MSMEs



5. Pension: Broader adoption of the Micro Pension plan, particularly in the informal sector by leveraging the flexible modalities for pension coverage individuals and operators in the MSME sectors
6. Capital Market: Expansion of Collective Investment Schemes (CIS) like mutual funds that provide opportunity for low-income earners to participate in the capital market through pooled, low value contributions that are managed and invested by fund managers

5.3. CONCLUDING THOUGHTS

As Nigeria, along with the rest of the world combats the lingering effects of the pandemic, focus on economic recovery needs to be in the forefront of initiatives by policymakers and market innovators alike. Identified targeted measures must be sustained, with their impact regularly evaluated to assure meaningful improvements to livelihood as a means of influencing sustainable uptake of financial services.

The National Financial Inclusion Strategy (NFIS2.0) remains the rallying point for stakeholders in the financial inclusion ecosystem in Nigeria, with the prioritized themes remaining relevance to implementation efforts beyond 2020. On a related note, research has shown that about 27 per cent or 1 in 4 Nigerian adults were considered financially healthy in 2020, while 39 per cent are coping and 34 per cent noted as being financially vulnerable. Similarly, data evidence portrays a direct correlation between financial health and financial inclusion, with 78 per cent of financially healthy adults being financially included compared to 66 per cent inclusion of those that are financially coping and 50 per cent inclusion for those that are financially vulnerable (EFInA, 2020).

The envisioned state for Nigeria's next phase of strategy implementation post 2020 is therefore one that imbibes the overriding importance of economic recovery as a tool for driving financial inclusion. Appropriate framework development for the strategic concept of financial health is considered essential to supporting the long-term sustainability of financial services. As such, consumers will be better empowered to build resilience and cope with economic shocks occasioned by either emergency, recession or a pandemic as witnessed in 2020.

2020 was an unusual year, with unusual actions to sustain the drive for financial inclusion as the impact of the global COVID-19 pandemic continued throughout the year. The knock-on effect of the extended lockdown and skeletal business activities was particularly felt among vulnerable population such as women, youth, rural dwellers and small, medium and microenterprise. This called for concerted stakeholder efforts geared towards economic recovery in the country. Thus, objective consideration for these spill-over effects on economic activities necessitated a re-appraisal of financial inclusion initiatives in 2020 and beyond.

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LIST OF ACRONYMS

AFI	Alliance for Financial Inclusion
AGSMEIS	Agribusiness Small and Medium Enterprise Investment Scheme
AIP	Approval in Principle
ANBMFIN	Association of Non-Bank Microfinance Institute of Nigeria
ATM	Automated Teller Machine
BDC	Bureau De Change
B2G	Business to Government payments
BMGF	Bill & Melinda Gates Foundation
BMS	Biometric Management System
BOI	Bank of Industry
BoP	Base of pyramid
BPSD	Banking and Payment System Department
BVN	Bank Verification Number
CACOVID	Coalition Against COVID-19
CBN	Central Bank of Nigeria
CeBIH	Committee of E-Banking Industry Heads
CFAN	National Cooperative Financing Agency of Nigeria
COP	Communities of Practice
CPS	Contributory Pension Scheme
DFS	Digital Financial Services
DMBs	Deposit Money Banks
ECS	Employee Contribution Scheme
EDCs	Entrepreneurship Development Centers
EFInA	Enhancing Financial Innovation and Access
FEC	Financial Education Curriculum
FI	Financial Inclusion
FINTECH	Financial Technology Companies
FIPWG	Financial Inclusion Product Working Group
FIS	Financial Inclusion Secretariat
FISSCO	Financial Inclusion State Steering Committee
FITC	Financial Inclusion Technical Committee
FITF	Financial Inclusion Trust Fund
FLWG	Financial Literacy Working Group
FMAN	Fund Managers Association of Nigeria
FMBN	Federal Mortgage Bank of Nigeria
FMCG	Fast Moving Consumer Goods
FME	Federal Ministry of Education
FMoCT	Federal Ministry of Communication Technology
FMoF	Federal Ministry of Finance
FMoIC	Federal Ministry of Information and Culture



FMWASD	Federal Ministry of Women Affairs & Social Development
FMYSO	Federal Ministry of Youth & Sports Development
FSP	Financial Services Provider
G2B	Government to Business Payments
G2P	Government to Public Payments
GDP	Gross Domestic Product
GEEP	Government Enterprise and Empowerment Program
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoN	Government of Nigeria
GPF	Global Policy Forum
GPZ	Geopolitical Zone
GWP	Gross Written Premium
IATF	Interagency Taskforce
IFC	International Finance Cooperation
IFIS	Interswitch Financial Inclusion Services
IFSB	Islamic Finance Services Board
IMTO	International Money Transfer Operation
KPI	Key Performance Indicator
KYC	Know Your Customer
LBS	Lagos Business School
LDR	Loan-to-deposit ratio
M&E	Monitoring and Evaluation
MC	Mercy Corps
MPP	Micro Pension Plan
MDAs	Ministries Departments and Agencies
MFBs	Microfinance Banks
MFI	Microfinance Institutions
MMOs	Mobile Money Operators
MNOs	Mobile Network Operators
MSME	Micro, Small and Medium Enterprises
MSMEDF	Micro Small and Medium Enterprise Development Fund
NAICOM	National Insurance Commission
NAMB	National Association of Microfinance Banks
NAPGEP	National Peer Group Educator Programme
NBC	Nigerian Bankers Committee
NBS	National Bureau of Statistics
NBS	National Bureau of Statistics
NCC	Nigerian Communications Commission
NCR	National Collateral Registry
NDIC	Nigeria Deposit Insurance Corporation
NESP	Nigeria Economic Sustainability Plan
NBFI	Non-bank Financial Institution
NFIS	National Financial Inclusion Strategy



NGOs	Non-Governmental Organizations
NHIS	National Health Insurance Scheme
NIA	Nigerian Insurance Association
NIBSS	Nigeria Inter-Bank Settlement System
NICMP	Non-Interest Capital Market Products
NIMC	National Identity Management Commission
NIN	National Identity Numbers
NIPOST	Nigerian Postal Services
NIRSAL	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending
NSE	Nigerian Stock Exchange
NSITF	Nigerian Social Insurance Trust Fund
NYSC	National Youth Service Corps
PAT	Profit After Tax
PENCOM	National Pensions Commission
PenOp	Pension Fund Operators Association of Nigeria
PoS	Point of Sale
PWD	People with Disabilities
RSA	Retirement Saving Account
SEC	Securities and Exchange Commission
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
SPV	Special Purpose Vehicle
TCF	Targeted Credit Facility
UNSGSA	United Nation Secretary General Special Advocate
USSD	Unstructured Supplementary Service Data
YEDP	Youth Entrepreneurship Development Program