

FINANCIAL INCLUSION **insights**

APPLIED RESEARCH FOR  digital financial inclusion

NIGERIA

QUICKSIGHTS REPORT FII TRACKER SURVEY

Conducted June-August 2014

December 2014

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NOTABLE STATISTICS

- **Close to half of Nigerians (48 percent) are financially included.**
 - Half of Nigerian adults have access to bank accounts, and 43 percent have their own accounts. In 2014, access and ownership increased compared with 2013 (44 percent and 38 percent, respectively).
 - Registered mobile-money account use (used in the past 90 days) is still very low at 0.4 percent. Slightly more (0.7 percent) have ever used mobile money.
 - Just over one-quarter (28 percent) of Nigerians access nonbank financial services, mainly Esusu, (rotating savings and credit groups) at 12 percent, cooperatives (5 percent) and savings collectors (10 percent). All three of these services are more prevalent among populations living under the poverty level line.
- **Eight in 10 (80 percent) bank users now access accounts through an ATM, compared to 74 percent in 2013.**
 - Nearly all (95 percent) active bank account holders have some form of digital access to their accounts.
 - A small percentage of people (1.4 percent) are using their bank's mobile app (1.6 percent) or web site (1.3 percent), indicating possibilities for future digital access expansion.
- **Although less than 1 percent of the population has used mobile money, 11 percent of Nigerians are aware of one or more mobile money brands;** this is on par with last year.
 - The three top motivators for opening a mobile money account were someone requested that they open an account to receive money, an agent convincing them and the need to pay a bill.
- **Mobile phone ownership remains at 88 percent.**
 - Another 6 percent have access to mobile phones through borrowing.
 - Ownership gaps are narrow: with gender at 90 percent for men versus 85 percent for women; above and below the poverty line at 90 percent vs. 88 percent, respectively; and urban/rural at 92 percent versus 85 percent, respectively.

THE NIGERIA FII TRACKER SURVEY - DETAILS

Survey summary

- Annual, nationally representative survey (N=6,000) of Nigerian adults aged 15+
- Face-to-face interviews lasting upwards of 60 minutes
- Second survey (wave 2) conducted from 6/16/2014 to 8/19/2014
- Tracks trends and market developments in DFS based on the information gathered in the first survey, conducted from September to November 2013.

Data collected

- Basic demographics
- Poverty measurement (Grameen Progress Out of Poverty Index)
- Access/use of mobile devices
- Access/use of mobile money
- Access/use of formal financial services (e.g., bank accounts)
- Access/use of semi-formal and informal financial services (e.g., Esusu, cooperatives, self-help groups)
- Financial literacy and preparedness
- Technical literacy

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Survey demographics

Demographic		Percent of survey (N=6,000)
Gender	Male	50 percent
	Female	50 percent
Location	Urban	43 percent
	Rural	57 percent
Poverty status	Above the \$2.50/day poverty line	9 percent
	Below the \$2.50/day poverty line	91 percent
Age	Ages 15-24	35 percent
	Ages 25-34	27 percent
	Ages 35-44	17 percent
	Ages 45-54	11 percent
	Ages 55+	11 percent

Figures are weighted to reflect national census data demographics.

Due to rounding, the percentages for the five different age groups adds up to 101 percent.

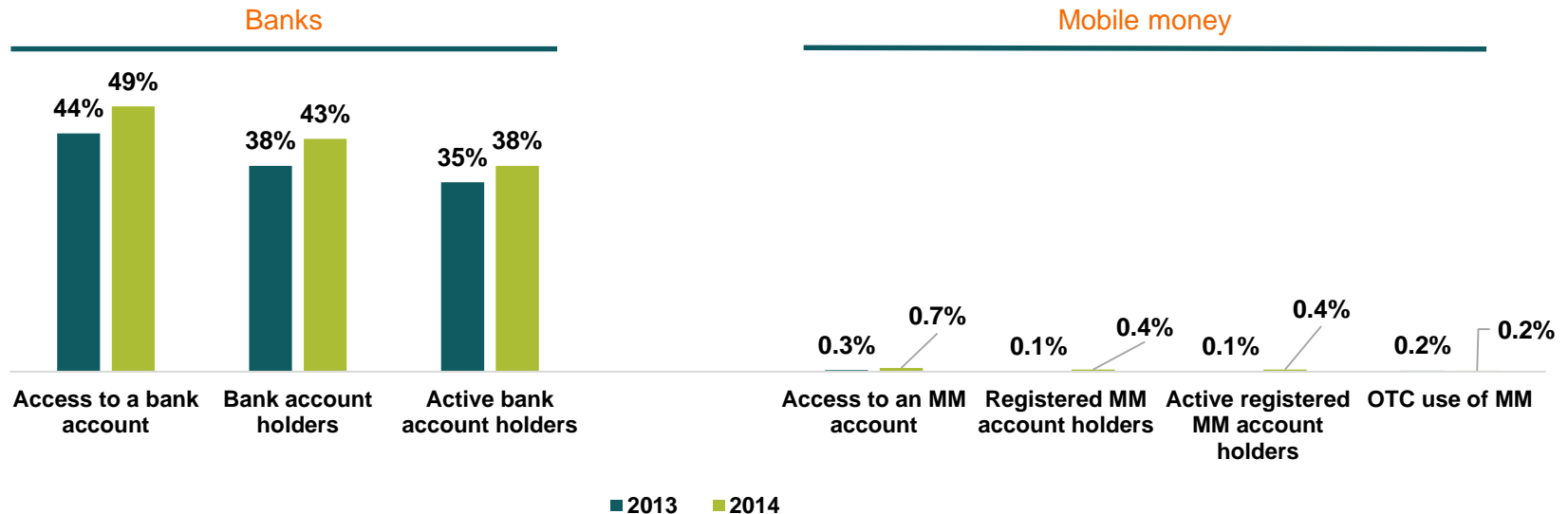
Source: InterMedia Nigeria FII Tracker survey (N=6,000 15+) June-August 2014.

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Close to half of Nigerians now interact with bank accounts, an increase from 2013; Ownership and usage of mobile money accounts remain extremely low

Mobile money (MM) and bank account access and use: Wave 1 vs. Wave 2

(Shown: Percentage of Nigerian adults who fall into each category, N=6,000)



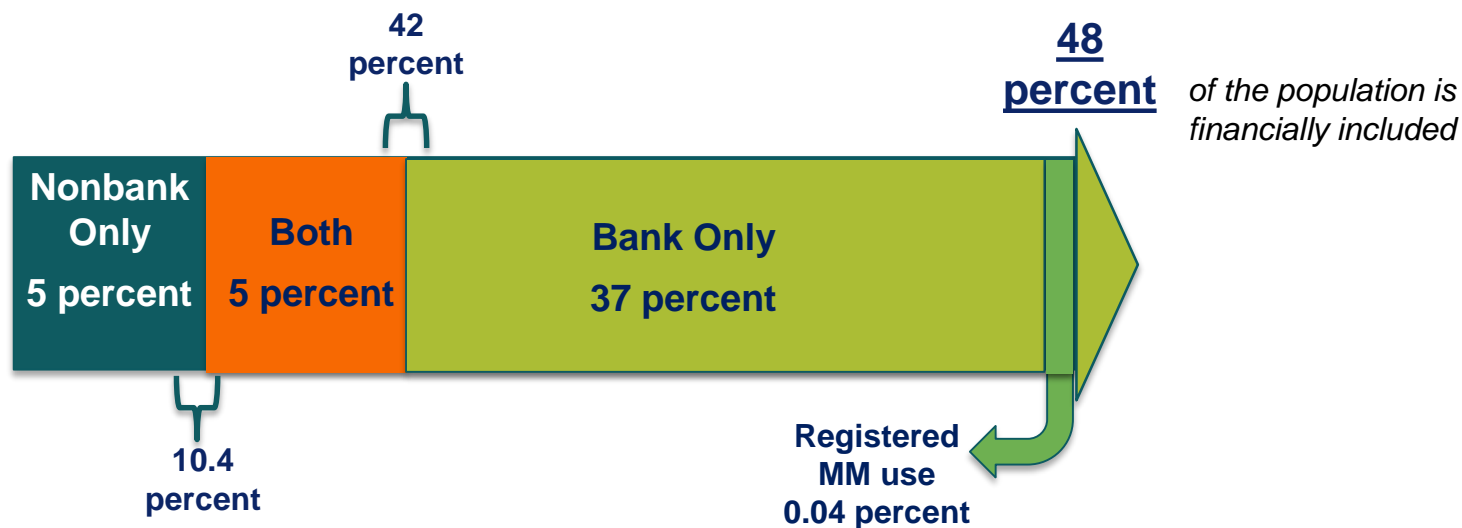
The poor infrastructure in the mobile networks across the country, especially in the northern regions, may influence the low figures for mobile money account access, ownership and usage.

OTC = users whose financial access is limited to over-the-counter mobile money use.

Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.

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Nearly half of Nigerian adults are financially included through the use of formal and informal financial institutions, mobile money and over-the-counter digital payments. Banks account for the overwhelming majority of those who are financial included



Nonbank = nonbank formal and semi-formal financial institutions, including MFIs, which offer services beyond credit.

Both = Those with a Bank and Nonbank financial account

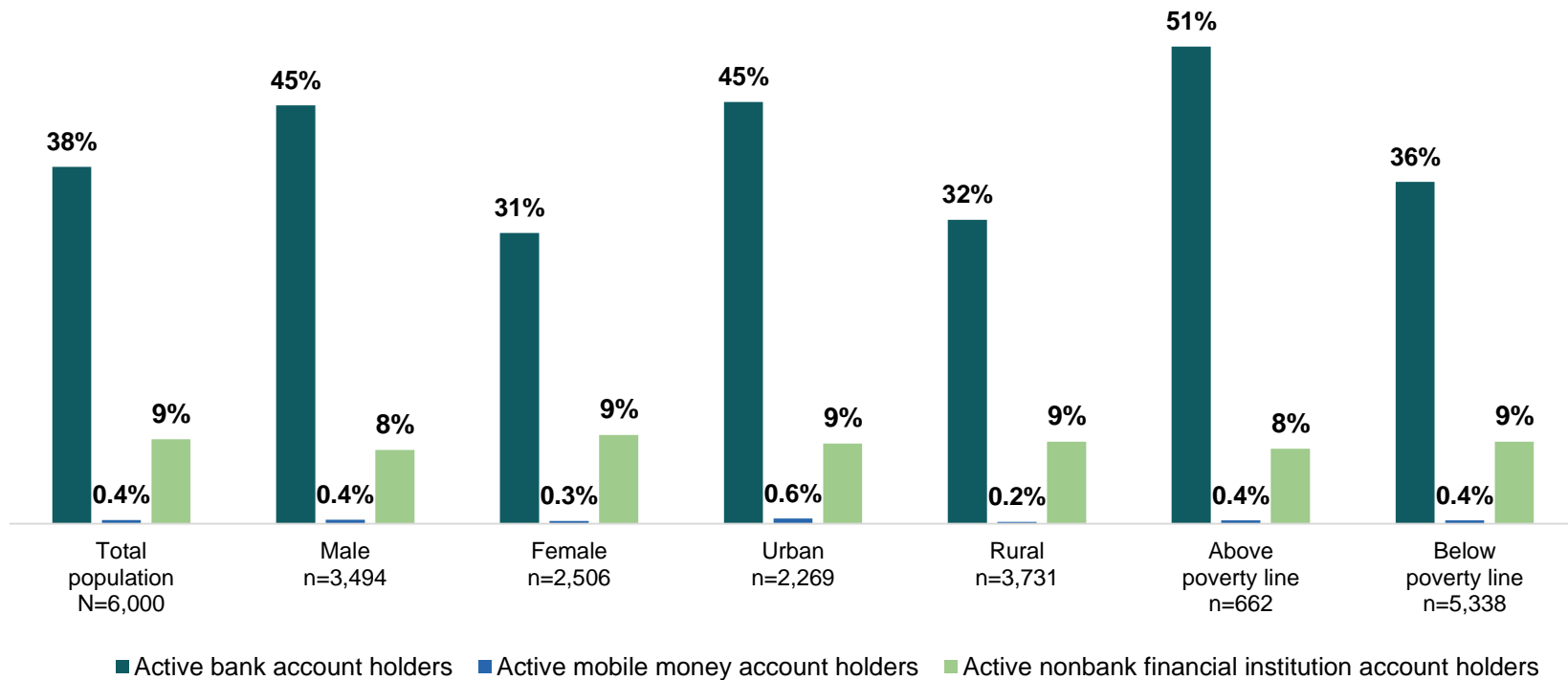
Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.

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Active bank use is heavily imbalanced along gender, location and poverty lines.

Financial inclusion measures by key demographic groups

(Shown: Percentage of each subgroup, N=6,000)



Categories are not mutually exclusive.

Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) June-August 2014.

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One-third of Nigerian adults have an active digital stored-value account, mostly utilized for basic transactions; around one-third of those use their account for something beyond basic wallet

Main FSP Indicator	percent	Base n	Base Definition
Adults (15+) who have active digital stored-value accounts	36 percent	6,000	All adults
Poor adults (15+) who have active digital stored-value accounts	35 percent	5,338	All poor
Rural women (15+) who have active digital stored-value accounts	24 percent	1,361	All rural females
Adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	12 percent	6,000	All adults
Poor adults (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	12 percent	5,338	All poor
Rural women (15+) who have active digital stored-value accounts and use them to access other financial services (beyond basic wallet, P2P, and bill pay)	7 percent	1,361	All rural females

NB. In Nigeria, digital stored-value accounts include banks, mobile money, MFIs, cooperatives and village-level saving groups. No post office banks are included in these calculations.

NB. There is relatively little demographic variation when examining the relation between having active digital stored-value accounts and utilization beyond basic financial services.

NB. The number and spread of financial institutions in the different parts of the country may affect the ability of Nigerians to access digital-stored accounts.

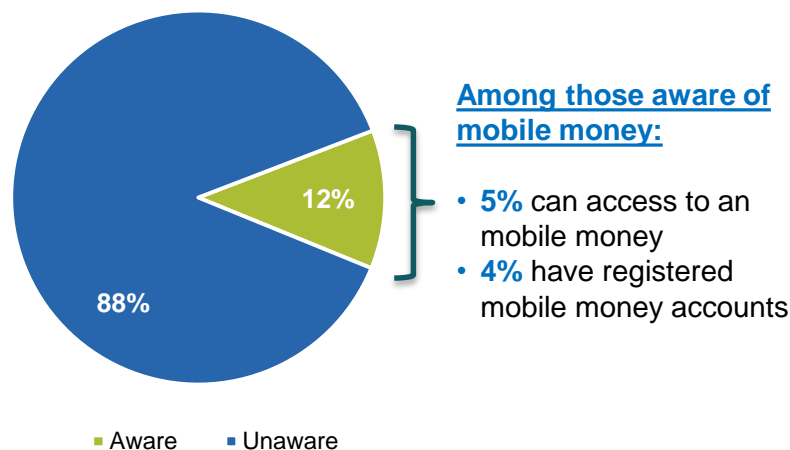
Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) June-August 2014.

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More than 1 in 10 adults are aware of mobile money and know of at least one provider

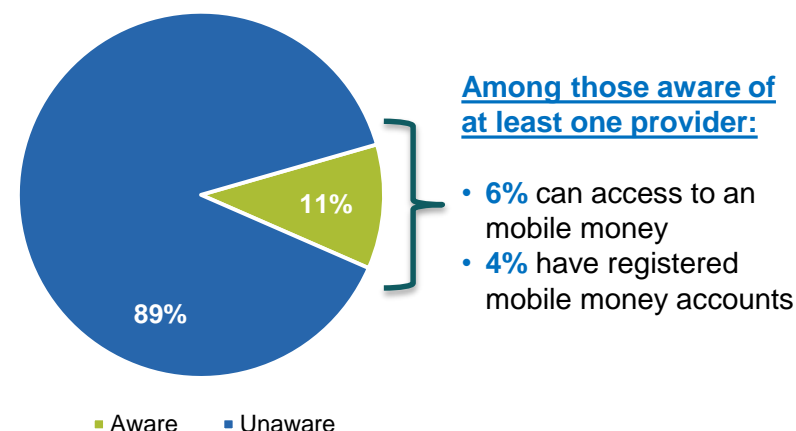
Awareness of mobile money

(Shown: Percentage of Nigerian adults, N=6,000)



Awareness of at least one mobile money provider

(Shown: Percentage of Nigerian adults, N=6,000)



The highest level of awareness of mobile money:

- Southwestern region of the country (around Lagos)
- Urban areas

Categories are not mutually exclusive.

Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) June-August 2014.

Barriers to uptake, rather than a lack of awareness, may be responsible for the extremely low levels of access and usage.

- Only 4 percent of Nigerian adults who are aware of mobile money have a registered mobile money account.

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Television, billboards as sources for building awareness of mobile money increased from 2013

In 2013, MTN, GLO and Airtel were among the top 10 biggest spenders on advertising. Spending on advertising for the telecoms industry was also reported to have increased with spending on outdoor advertising – such as billboards - coming second to television.*

“From which source of information did you first learn about this mobile money service?”

Rank	Top 5 initial sources <i>(percentage of people who are aware of at least one mobile money provider)</i>	percent - 2013 <i>(n=739)</i>	percent - 2014 <i>(n=728)</i>
①	Television	28	40
②	Radio	24	21
③	Family members, relatives or friends	22	21
④	Transactional mobile money agents	15	1
⑤	Newspapers or magazines	13	9
⑥	Billboard	12	23

Question allowed multiple responses.

Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014

**<http://leadership.ng/news/381944/mtn-glo-airtel-among-top-10-media-spenders-2013>*

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Those aware of mobile money services and providers may lack understanding of the service's functionality and use

Rank	Top reasons for having never used mobile money (Percentage of persons aware of mobile money services but have never used, n=687)	percent
1	I don't know what it is	28
2	I don't know how to open one	20
3	I don't understand the service/don't know what I can use it for	10
4	I don't need one, I don't make any transactions	8
5	Mobile money doesn't provide anything better/ any advantage	5
6	I never have money to make transactions with the service	5

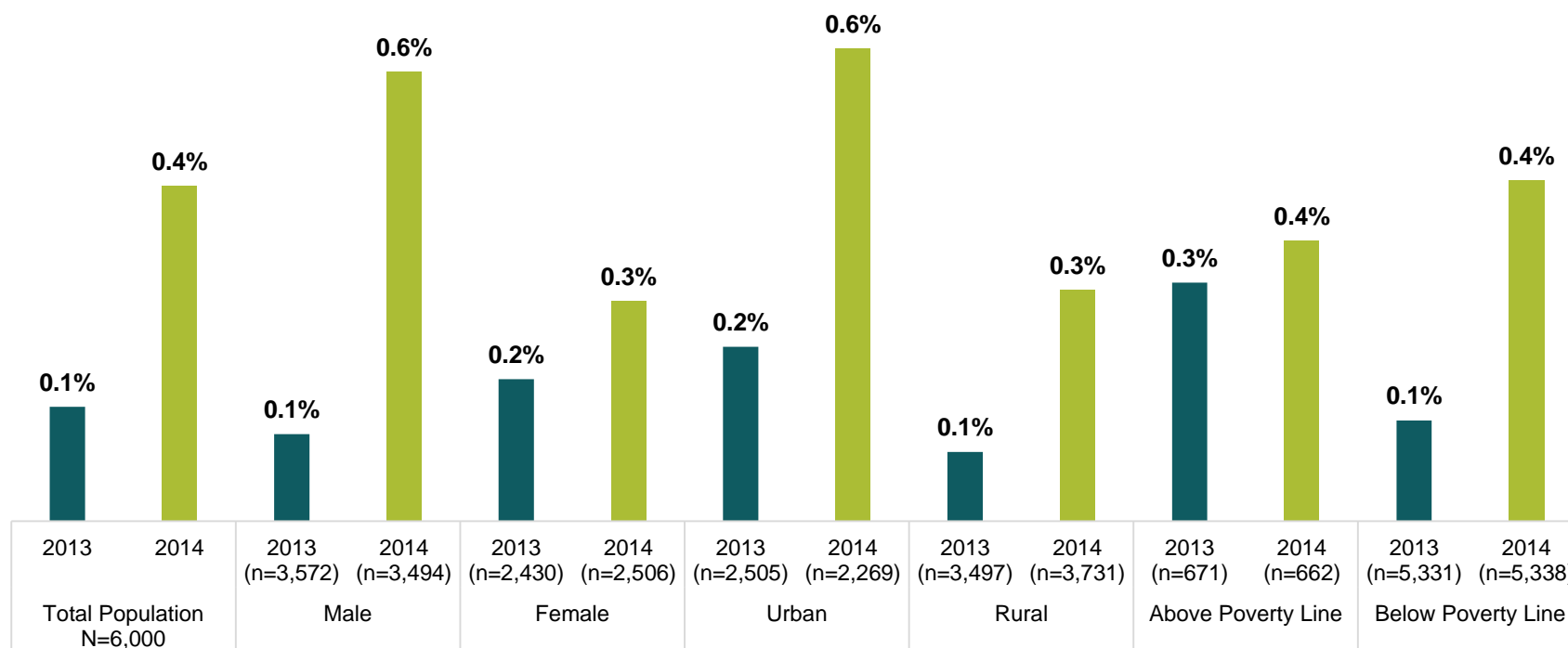
Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) June - August 2014.

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Mobile-money account use is extremely limited among all demographic groups

Demographic trends for mobile money account use

(Shown: Percentage of Nigerian adults who fall into each category, N=6,000)



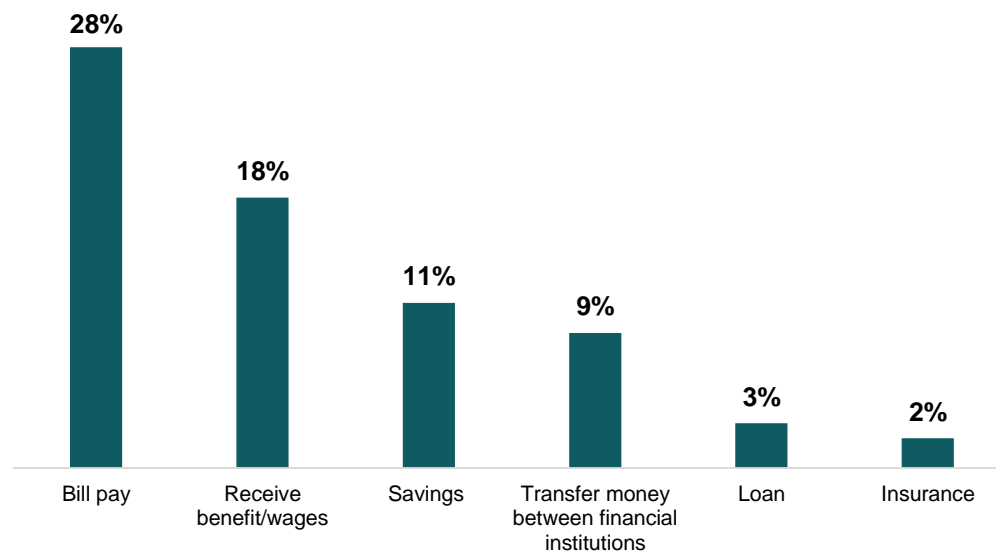
Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) September-November 2013; June-August 2014.

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Most are using bank accounts for withdrawals and deposits; accounts are also used to send or receive money. Bill pay through bank accounts is very high compared with other FII countries

Rank	Top uses for Active BANK accounts (n=2,482)	%
①	Withdraw money	98
②	Deposit money	96
③	Receive money from other people for regular support or to help with emergencies	39
④	Receive money from other people for other reasons or for no particular reason	33
⑤	Send money to other people for regular support or to help with emergencies	33

Advanced bank use
(Shown: Active bank account holders, n=2,482)



Questions allowed multiple responses.

Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) June - August 2014.

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Nigerians perceive that bank use requires a significant amount of money

Rank	Top reasons for not registering for a bank account (Percentage of persons without a bank account, n=3,215)	percent
1	I don't have money	42
2	I don't need one, I don't make any transactions	8
3	I don't have money to make any transactions with such an account	7
4	I don't know how to open one	6
5	There are no banks close to where I live	5
6	I don't have a state-issued/national ID or other required documents	3

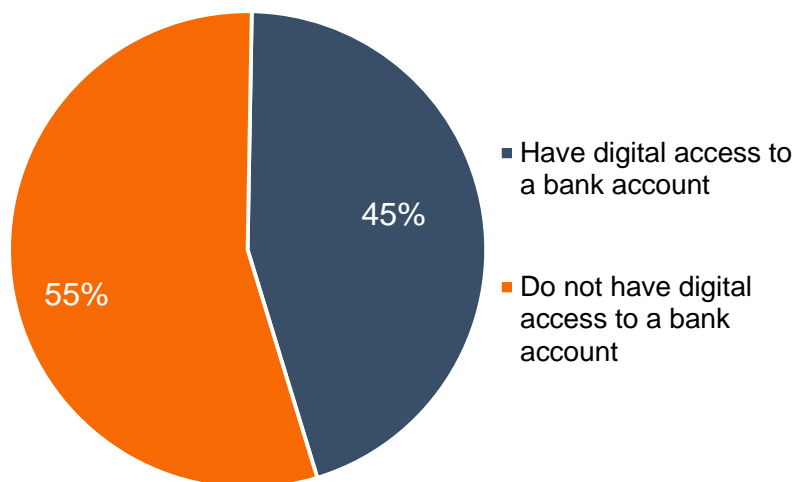
Source: InterMedia Nigeria FII Tracker survey (N=6,000, 15+) June - August 2014.

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Nearly half of all Nigerian adults have digital access to their bank accounts

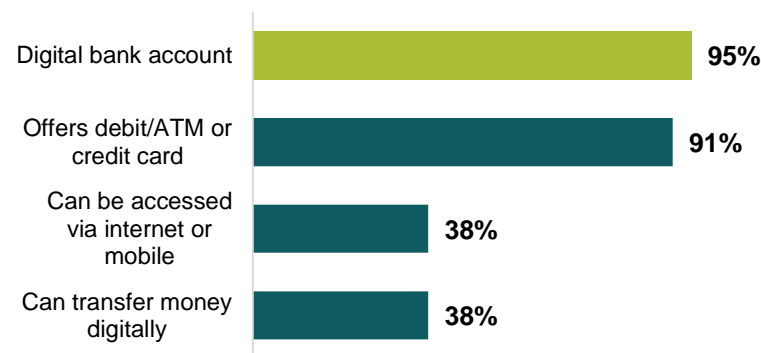
Digital bank account access

(Shown: Total population, N=6,000)



Digital access among active bank account holders

(Shown: Active bank account holders, n=2,482)



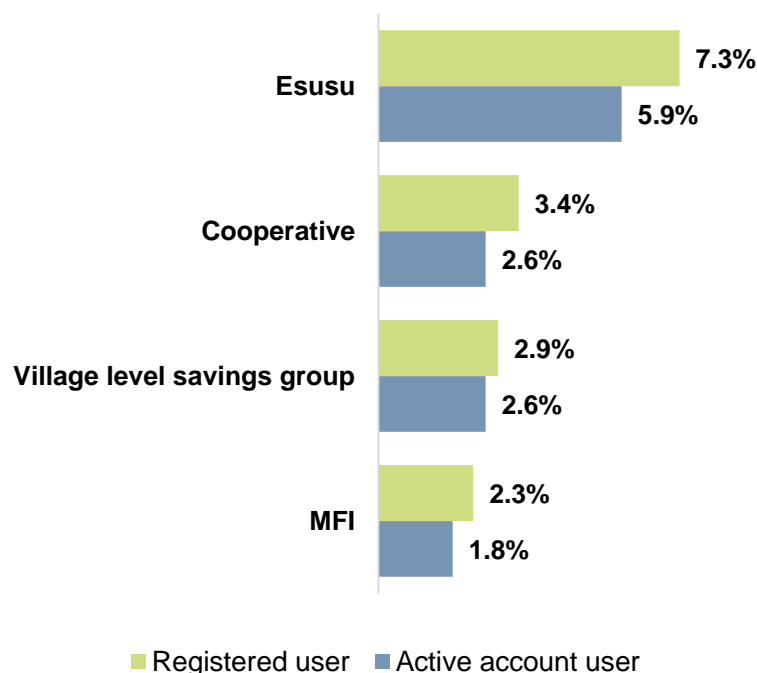
Digital bank accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

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An Esusu is utilized more than other nonbank financial institutions; more women, and those below the poverty line, use an Esusu

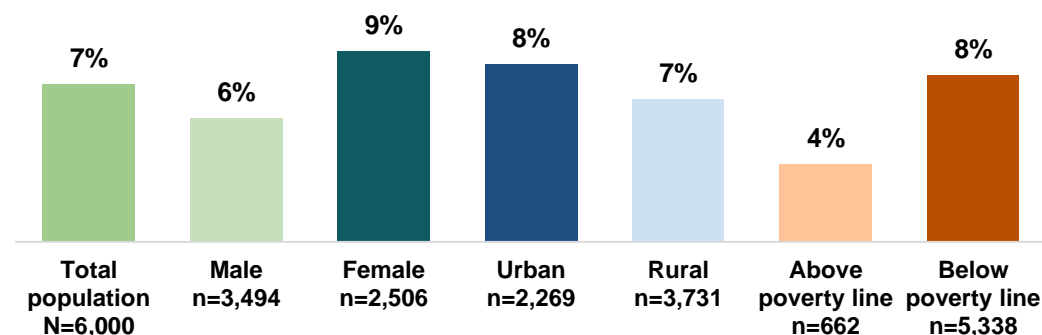
Financial institution usage

(Shown: Percentage of non-bank financial institution account holders among the total population (N=6,000))



Registered Esusu users by demographic

(Shown: Esusu users)



Esusu institutions are somewhat unique in that more women than men are registered users of the service.

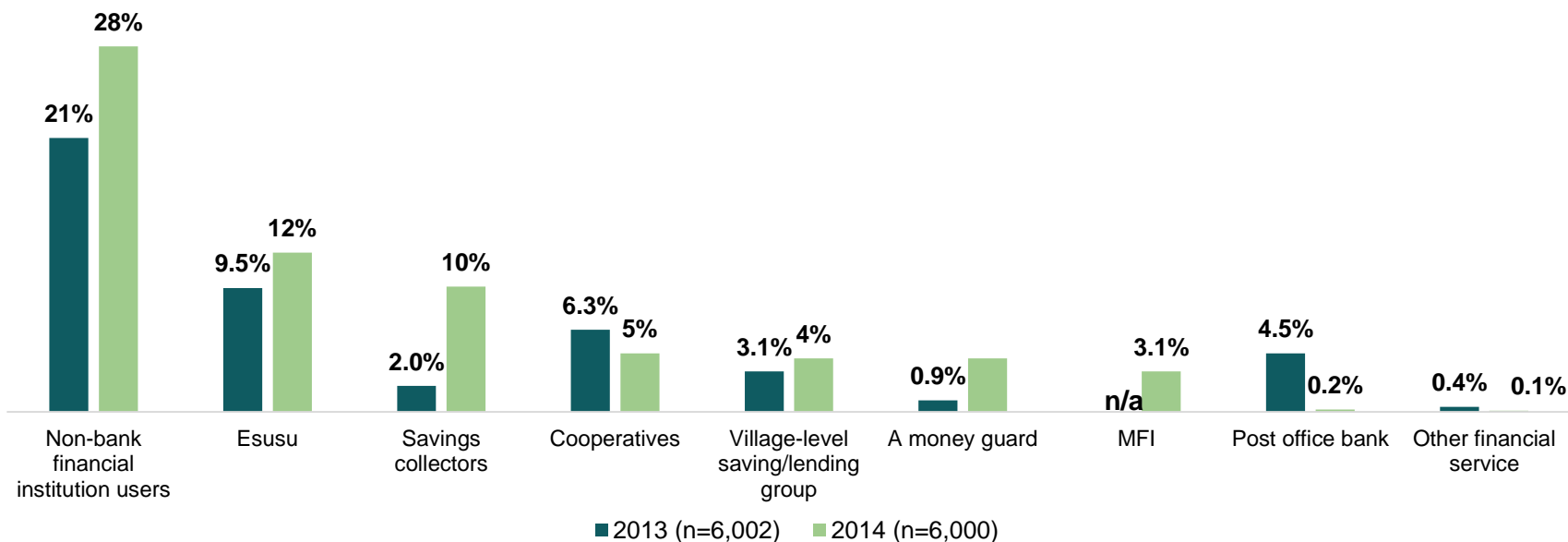
For the other two widely used forms of financial services in Nigeria – banks and mobile money – men are the primary users with nearly double (or more) the number of registered account holders as compared with women.

40% of Esusu users access services without a registered account.

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In 2014, Esusus, savings collectors and cooperatives were the most popular nonbank financial institutions

Nonbank financial institution users
(Shown: Total population, N=6,000)



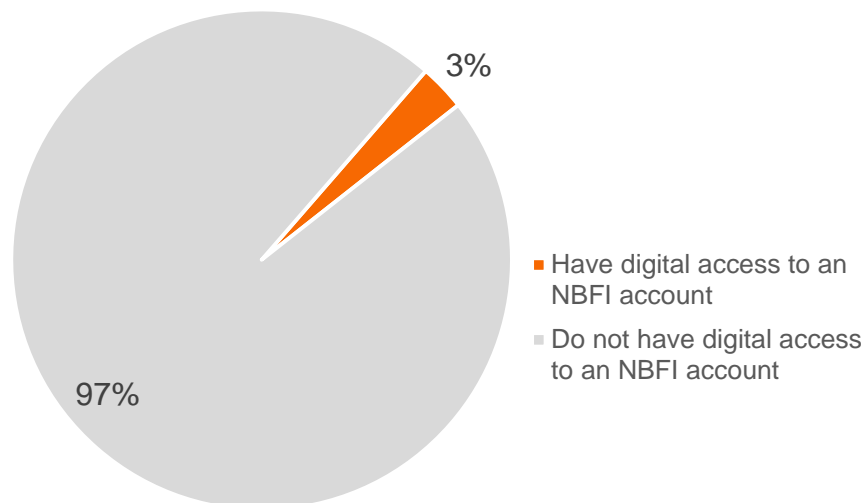
Questions allowed multiple responses. Source: InterMedia Bangladesh FII Tracker survey (N=6,000, 15+) June - August 2014.

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Three percent of Nigerian adults have access to a digital nonbank financial institution (NBFI) account; of those, just over one in 10 have digital access to the services

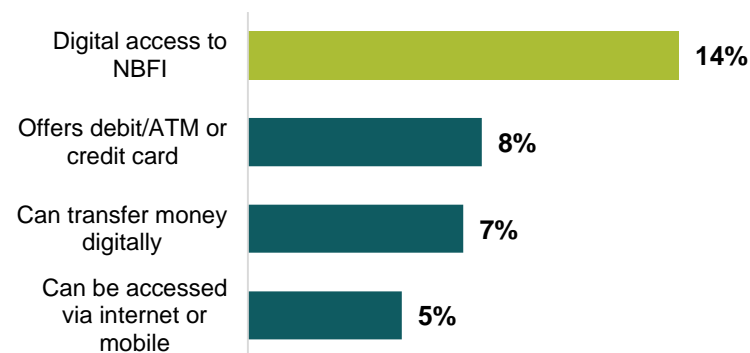
Digital NBFI account users

(Shown: Total population, N=6,000)



Means of digital access for active NBFI users

(Shown: Active users of NBFIs, n=1279)



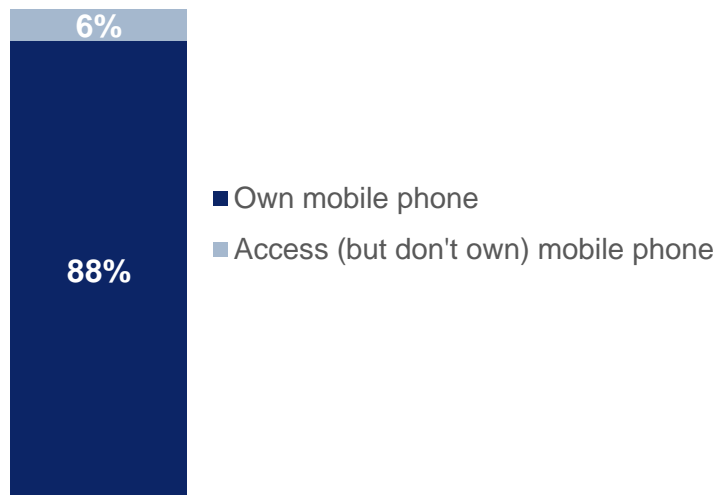
Digital nonbanking financial institution accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

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Access to and ownership of mobile phones is ubiquitous, even across demographic divides, but advanced use is limited to a smaller subset of phone users.

Access to and Ownership of Mobile Phones

(percentage of total population, N=6,000)



Advanced use of mobiles in the previous week

(percentage adults with access to a mobile phone, n=5,645)

- 31% accessed the internet
- 28% used a social networking platform
- 20% used touch screen
- 18% downloaded music, games or videos
- 18% downloaded a mobile application
- 8% made a financial transaction

GLOSSARY OF TERMS

- **Access** - Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person.
- **Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.
- **Active user** – An individual who has used any DFS for any type of transaction in the past 90 days via his/her own account or somebody else's account.
- **Adults with DFS Access** – Adults who either own a DFS account or have access to someone else's account.
- **Below the poverty line** - In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.
- **Digital financial services (DFS)** – Financial services provided through an electronic platform (mobile phones, electronic cards, the internet, etc.). **For this particular study, digital financial services include bank services and mobile money services.**
- **Digital stored-value account (DSVA)** – Accounts in which funds or a monetary value are represented in a digital electronic format and can be retrieved/transferred remotely by the account owner. For this particular study, DSVAs include a bank card (debit or credit) and a mobile money account.
- **Financial inclusion** – A state in which all people who are able to use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients.
- **Financially included** – An adult who owns or has access to digital financial services.
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.
- **Registered active user** – A person with a registered DFS account that has used it in the last 90 days.
- **Services beyond basic wallet** – DFS transactions that go beyond simple deposits, withdrawals, or money transfers.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

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