

ASSESSMENT OF IMPACT OF MICROFINANCE BANKS TOWARDS POVERTY ALLEVIATION IN ANAMBRA STATE, NIGERIA.

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ABSTRACT

Poverty is one of the major economic problems of Nigeria. The country, with over 91 million people in 2018 was ranked by United Nations (UN) and the World Poverty Check as the headquarter of extreme poverty. Successive governments have introduced various strategies including the establishment of Microfinance Banks (MFBs) in December 2005 with poverty alleviation as one of the objectives. Unfortunately, there is no concrete evidence of poverty reduction or alleviation in different parts of Nigeria, especially Anambra State since 2005. This motivated the researcher to conduct this study and assess the impacts of MFBs towards poverty alleviation in Anambra State Nigeria since the formulation of Microfinance Policy Supervisory and Regulatory Framework (MPSRF) in December, 2005. This study employed a survey research method and adopted financial intermediation theory as its theoretical framework. The sample was drawn through a multi-stage stratified random sampling with the customers of 84 MFBs in Anambra State. 500 copies of questionnaire were distributed to the customers of MFBs while 410 were retrieved and analyzed using descriptive statistics (ordinary least square regression with E-view version 10). The findings of the study revealed positive contribution of MFBs to poverty alleviation and improvement in the income related activities of households in Anambra State. Recommendations offered for improved service delivery of MFBs include: acquisition of appropriate infrastructure, improvement in the financial and non-financial services and quality of staff, restriction of activities of deposit money banks in rural areas and increased supervisory role of the monetary authority among others.

KEY WORDS: Poverty alleviation, Micro Finance Banks, Financial sources, financial inclusion, Skill acquisition

1.0 Introduction

Microfinance is a category of financial services targeted at individuals and small businesses who lack access to the conventional banking and related services (CBN, 2015; Conroy, 2003). These financial services include credit, savings, and micro-leasing and money transfer and payment services. According to the Consultative Group to Assist the Poor (CGAP), microfinance is defined as a "facility that offers poor people access to basic financial services such as loans, savings, money transfer services and micro-insurance" (www.cgap.org). Indeed, microfinance banks (MFBs) serve the un-banked, provide credits, savings and other essential services within the reach of millions of people who are too poor to be served by regular banks in most cases because they are unable to offer sufficient collateral. Credit is essential for economic performance and increased productivity. It is believed that credit boosts income level, increase employment at the household level and thereby alleviates poverty. The importance of MFBs cannot be overestimated because it plays a role in making credit/funds available from the surplus to the deficit sector of the economy through its intermediary role especially to the poor segment of the economy. Microfinance banks perform several roles in the economy. Credit delivery to targeted groups to enable them to expand their businesses and other economic activities. More rural dwellers, entrepreneurs and women have benefited from the credit delivery services of MFBs which have enabled start or expand existing businesses. MFBs have facilitated the rate of financial inclusion in the country. Financial inclusion is the provision of a broad range of high-quality financial products such as savings, credits, insurance, payments and pensions, which are relevant, appropriate and affordable for the entire population and especially for the low-income segment. An inclusive financial sector is characterized by the diversity of financial service providers, level of competition between them and the regulatory environment that ensures the integrity of the financial sector and access to financial services for all. Boosting MSMEs/ Agriculture as about 60 per cent of poor people in the country live in rural areas, and 80 per cent of them are farmers and artisans (NBS, 2023). Microfinance banks have therefore been the primary sources of funding to these less disadvantaged groups. Rural people are empowered through microfinance which impacts positively on poverty alleviation. Agriculture and microenterprise contribute immensely to job creation, and are of particular interest to all microfinance banks in rural areas. Improvement of the condition of women through the provision of skills acquisition and adult literacy is another role played by microfinance banks. This is done through building capacities for wealth creation among enterprising poor people (Umar, 2008). Employment and income generation are important aspects of poverty alleviation efforts. Microfinance banks have accelerated the operation of government poverty alleviation programmes, and in doing that, promising entrepreneurs are supported, and new ones emerged. The federal government National Poverty Eradication Programme (NAPEP) and the National Economic Empowerment and Development Strategy (NEEDS) to mention a few are some of the policies to alleviate and improve the well-being of the citizens.

The establishment of the Microfinance Policy Regulatory Framework (MPRSF) in December, 2005, was a direct response to series of failed policies by successive governments to improve access to credit and flow of financial services. This framework gave birth to MFBs in the country with specific objectives of poverty alleviation among others. This study therefore seeks to assess the extent the MFBs have achieved the objective of poverty alleviation in Anambra State, being state with the second largest concentration of MFBs in Nigeria after Lagos state (Maduka, 2023).

2.0 Review of Related Literature

a) Microfinance:

Microfinance can be defined as the provision of financial services to the group (active poor) who are traditionally not covered by or served by the conventional financial institutions. It is characterized by the smallness of loans advanced, absence of asset-based collateral and simplicity of operation (Akinboyo, 2017). This implies that it is a policy by the government to ensure that targeted group/economically active poor assess financial and non-financial services which will enable them to improve on their life-sustaining goods and enhance their standard of living. Microfinance emphasizes the provision of loans (micro-credits) to the economically disadvantaged and active group to help them engage in new productive activities and/or to expand on the existing ones. According to United Nation Capital Development Fund (UNCDF), cited in Adeusi(2015), the government of Nigeria identified microfinance as a useful tool in achieving the three objectives of:

- A strong and focused emphasis on economic growth.
- Better access by the poor to social services and adequate infrastructure and
- Targeted interventions to protect the low-income population or the most vulnerable, because it helps poor people to expand their businesses, increase their revenue and augment employment thereby contributing to the economic development of the country through an improved standard of living.

b) Poverty

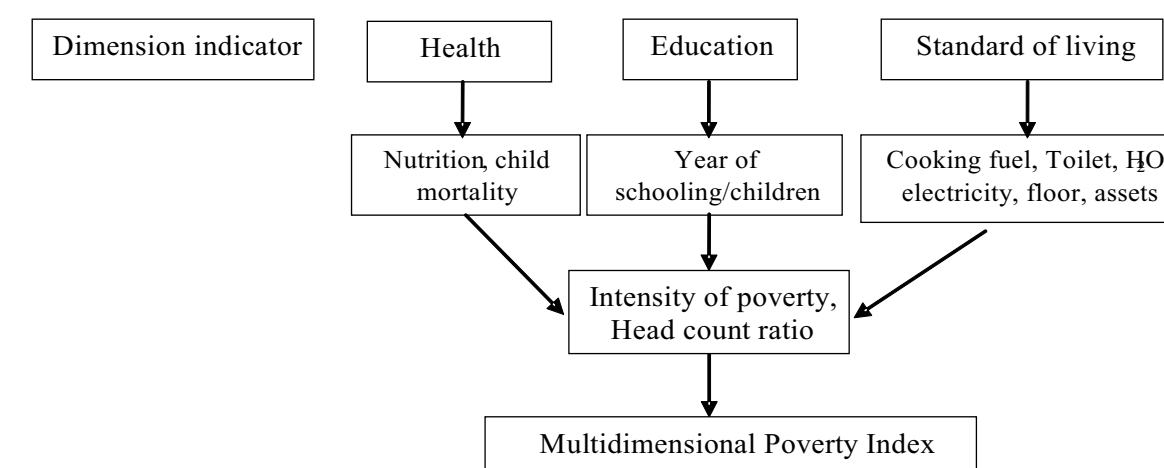
According to Ezeilo (2017), poverty can be defined in different ways including lack of money or limited income, living substantially lower than the general standard of living in the society, lack of access to basic needs and goods; a result of lack of, or impaired access to, productive resources; an outcome of inefficient use of common resources; and a result of deprivation. Poverty as lack of access to basic needs and goods is essentially economic and consumption-oriented. The International labour Organization ILO) (1995) cited in Ezeilo(2017) opines that people are considered poor when their level of living, measured in terms of income or consumption, is below a particular standard. Consequently, the poor are seen as individuals or households in a particular society incapable of purchasing a specified set of basic goods and services. Extreme poverty can range from landlessness, earning less than \$1 per day, to being on the bottom half of those living under the poverty line, to income under a certain threshold. The Organization for Economic Co-operation and Development (OECD) (2001) reported that poverty encompasses different dimension of deprivation that relate to human capacities, including consumption and food security, health, education, rights, voice, security, dignity and decent work. This means that poverty is a multidimensional concept. The UNDP (1995) opined that poverty is the denial of opportunities and choice. The UNDP definition of poverty is in terms of human development and introduced measures such as Human Development Index (HDI) and Human Poverty Index (HPI). The HDI centers on three areas of human deprivation, namely longevity, living standard and educational attainment. Life expectancy at birth is used to measure as a measure of longevity; educational attainment is measured by the combination of adult literacy, while living standard is measured by the real Gross Domestic Product (GDP) per capita. The HDI is made up of five weighted components.

An international poverty line is typically used in a cross country comparism of poverty levels an in international agreements. The first target under Sustainable Development Goal (SDG) I of the 2030 Agenda for SDG reads: “By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day”. This target refers to the international poverty

line-which was set in the late 1990s at one dollar a day in purchasing power parity based on an average of national poverty line in low-income countries and which has been revised over time. The latest revision took place in September, 2015 when the international poverty line was increased to \$1.90 to ensure that the 'goal post' used to measure extreme poverty were not changed. The increase reflects the fact that at the time the purchasing power estimates were revised, we face a weaker dollar relative to the currencies to most developing countries than when the preceding lines was defined.

The most comprehensive measure of poverty is the Multidimensional Poverty Index (MPI) developed in collaboration with the Oxford Poverty and Human Development Initiative (OPHI). The MPI emerged from the MDG indicators but instead of combining country's aggregate across indicators it used information at the level of household to ensure counting of overlapping deprivations and number of people that contend with them. The index identifies deprivations across the same three dimensions as the HDI (see figure below) and shows the number of people who are multidimensional poor (suffering deprivations in 33% or more of weighted indicators) and the number of deprivations which poor households typically contend with. It can be deconstructed by region, ethnicity and other grouping as well as by dimension, making it apt tool for policy makers (UNDP,

Figure 2.1: Multidimensional Poverty Index



Source: UNDP (2016)in Maduka, 2022)

a) Poverty Alleviation

Poverty alleviation is an economic measure or initiative embarked by the government to improve and lift people out of poverty and enhance their standard of living. The effectiveness of any poverty alleviation program depends on identifying the causes of poverty and dealing with the causes and not the symptoms (Uwajumogu, 2010). Among the approaches to the solution of poverty is the provision to the poor, economic active and low-income individuals' access to financial services that will enable them to move away from the subsistence living to a future-oriented outlook on life and increased investment in nutrition, education and living expenses (Westover, 2008). Microfinance has proved to be a veritable and sustainable tool for poverty alleviation in the developing

economies. The World Development Report 2000/2001, cited in Uwajumogu (2010), identified two ways by which the provision of financial services in general and microfinance, in particular, can have an effect on poverty. Microfinance can strengthen poor people's economic activities by investing in assets more affordable and thus allowing them to engage in profitable business ventures. It has an income-generating effect which will have multiplier outcome on the well-being of the individual. Again, the access to microfinance services will improve poor household's risk management and reduce their vulnerability in the face of economic shocks like inflation, disasters and income fluctuations (World Bank, 2000). Successive governments in the country have embarked on different micro financing programmes to the targeted population with the sole aim of poverty alleviation. For example, the formulation of MPSRF in 2005. Other efforts to alleviate poverty in the country since independence include; Poverty Alleviation Programme (PAP) in the year 2000, National Poverty Eradication Programme (NAPEP) in 2003 and various direct and indirect intervention programmes of successive governments.

d. The Operations of MFBs in Nigeria.

Since the MPSRF in 2005, MFBs have witnessed some growths and reforms as shown in the assets and liabilities in the table below.

Table 1: Summary of Assets and Liabilities of Community/MFBs (N' Million)

Year	Cash in Hand	Balance with other Banks	Loans/Advances	Deposits	Shareholders' Funds	Asset (Liabilities)
2006	1,029.27	8,614.09	16,450.20	34,017.70	12,829.82	55,145.84
2007	1,410.10	11,801.30	22,850.20	41,217.70	21,810.70	75,549.80
2008	2,292.60	43,705.70	42,753.06	61,568.10	37,021.80	122,753.80
2009	2,763.54	48,404.90	58,215.66	76,662.00	45,166.00	151,610.00
2010	2,594.40	72,315.00	52,867.50	75,739.60	43,997.50	170,338.90
2011	1,717.10	36,047.50	50,928.30	59,375.90	29,094.80	117,872.10
2012	2,854.20	32,925.00	90,422.25	98,789.10	42,829.10	189,293.35
2013	3,219.60	53,516.50	94,055.58	121,787.60	64,939.00	237,837.60
2014	3158.38	53,826.69	112,110.15	110,668.41	53,039.03	221,652.34
2015	3360.39	72,357.10	187,247.34	159,453.38	91,376.50	334,883.08
2016	3768.95	52,614.90	196,194.99	149,798.38	77,868.65	326,223.13
2017	4,672.95	44,885.89	194,024.94	186,405.86	91,486.51	400,611.14
2018	4,658.70	44,885.89	207,963.32	201,721.84	96,787.92	408,353.01

Source: CBN, Statistical Bulletin (2023), author's compilation

A cursory perusal summary of assets and liabilities of the community/microfinance banks in Table 1 indicated increased volume of activities. The cash in hand increased from over N1, 029 Million in 2006 to over N4 Billion in 2018. The balance with other banks also grew from over N8 Million in 2006 to over N44 Billion in 2018. In the same vein, the total loans and advances, deposits, shareholders' funds and assets (liabilities) increased tremendously from over N16,450 Million,

N34,017 Million, N12,829 Million and N55,145 Million in 2006 to over N207,963 Million, N96,878 Million and N408,353 Million in 2018, indicating a sustained positive trend with minor shocks in 2011 due to reforms/efforts at sanitizing the sub-sector which led to the revocation of licenses of 103 MFBs in December, 2010. As shown in the Figure 1.1, between December 2010 and 2011, there was a negative trend in the volume of activities in the microfinance subsector.

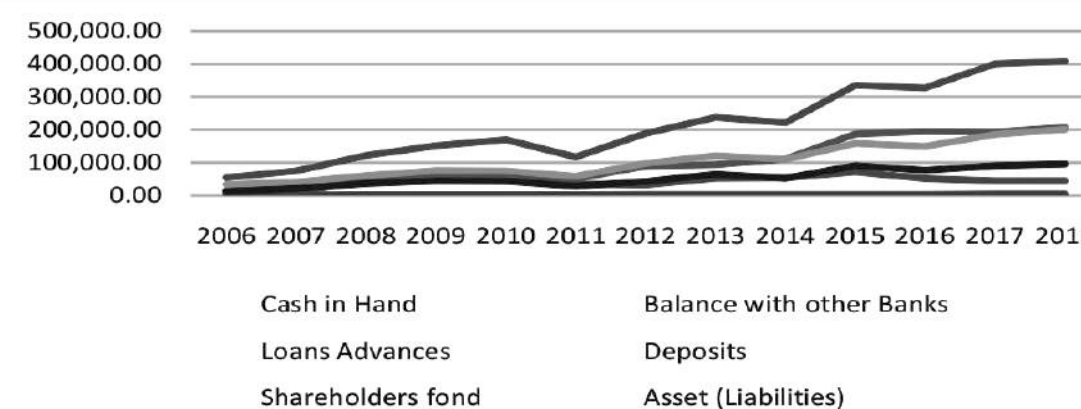


Figure 1.1: Assets and Liabilities of Microfinance Banks (N' Million)

Author's compilation (2023).

3.0 Research Methodology

This study seeks to assess the impact of MFBs since the formulation of MPSRF in 2005. The study adopts survey method of gathering data from the MFBs customers of which 410 copies of questionnaires were returned and analyzed using descriptive statistics (table, pie charts, mean score and percentiles) and inferential statistics (ordinary least squares regression). Based on the hypothesis of the study which examined the contribution of MFBs to poverty alleviation in Anambra State, the model below was formed:

$$POVR = \beta_0 + \beta_1 SV + \beta_2 Cred + \beta_3 EDU + U_i \quad 3.1$$

Where POVR = Poverty alleviation (bench marked by \$1.90 daily)

SV = Savings/Deposit

Cred = Credit/loan by customers of MFBs

Edu = Respondents education

U_i = Stochastic error terms

The model is based on logistic regression due to the binary nature of the variables. For instance, poverty is measured through the monthly income of the respondents which helped to determine their daily average income/expenditure and compared to the UNDP benchmark for poverty at (\$1.90 per day). Those respondents whose daily average income/expenditure per day is less than \$1.90 per day is considered to be in poverty. Based on this measurement, we set poverty = 0; for those living in poverty and 1 for those living out of poverty.

4.0 Results

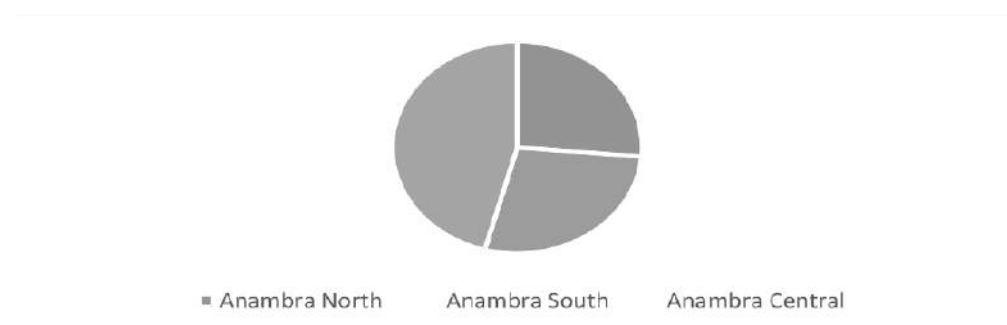
Table 4.1.1: Showing Questionnaire Distributed/Returned

Senatorial Zone (1)	No of MFBs (2)	Questionnaire Distributed (3)	Questionnaire Returned (4)	(%) Returned (5)
Anambra North	11	122	90	22
Anambra South	14	157	138	34
Anambra Central	20	221	182	44
Total	45	500	410	100

Source: Field Survey (2023)

Note: The % of questionnaire returned (column 5) is by dividing column 4 over 410 times 100. The table shows how questionnaires were distributed and returned from different MFBs in three different senatorial zones in the state.

Figure 4.1: Questionnaire returned



Source: Field study (2023).

Table 4.1.1 show the questionnaire distributed and returned from the respondents. From the result, Anambra South (Nnewi North, Nnewi South, Ihiala, Aguata, Orumba North, Orumba South and Ekwusigo) has the second highest number of MFBs of 14, while Anambra Central (Idemili North, Idemili South, Njikoka, Dunukofia, Awka South, Awka North and Anaocha) has the highest number of MFBs 20. The last is Anambra North (Onitsha North, Onitsha South, Ogbaru, Oyi, Anambra East and Ayamelum) with eleven (11) number of MFBs. Meanwhile, Anambra Central has the highest number of questionnaire distributed and returned (44%) followed by Anambra South (34%) and the last, Anambra North (22%). From the Table 4.1.1., it was also shown that Anambra Central has the highest number of MFBs. It was found out that it could be as a result of the number of towns and fewer number of formal banking institutions in the area. Anambra South has 14 MFBs, Anambra North also has 11 Microfinance Banks (MFBs). Interestingly, most of the MFBs in Anambra North

and South concentrated in Nnewi and Onitsha urban unlike the central district where they are relatively spread. The questionnaires returned also showed that Anambra Central recorded the highest, followed by South and North respectively. The reason is simple when you consider the number of questionnaire distributed in the zones. It was also found out that the respondents of Anambra Central seem to be more educated as the understood the questionnaire easily. Moreover, the people seem to be friendlier with the trained research assistants unlike Anambra South and Anambra North. Table 4.1.2 shows Sex distribution of the respondents.

Table 4.1.2: Sex Distribution of the Respondents

Variable	Frequency	Percentage (%)
Sex	Male	223
	Female	187
Total	410	100%

Source: Field Survey (2023).

From Table 4.1.2, 223 respondents (55%) of the total respondents are males while 187 respondents representing (45%) are females. This result shows or imply that the males patronize MFBs more than women in Anambra at the time of conducting the research.

Table 4.1.6: Amount of Loan Received from MFBs

Variable	Frequency	Percentage
Loan received	0-N50,000	103
	N51,000-100,000	189
	N101,000-500,000	86
	N501,000-1,000,000	23
	Above N1,000,000	9
Total	410	100

Source: Field Survey (2023).

From the result, 189 respondents representing 46% received loan between NGN51, 000 to N100, 000, while 103 respondents representing 25% agreed that they have received loan within the range of NGN50, 000. The greater percentage of the respondent received loan between N51,000 to N100,000, while 23 received credit from MFBs from NGN501,000-NGN1,000,000 (6%).

Results and Analysis of Research Questions/Objectives**Table 4.2.1: Constraints to Accessibility of Financial and Non-Financial Services of MFBs by the Respondents**

S/N	Constraints	SA	A	UN	D	SD	Mean Item Scores
1.	High interest rate	151	209	39	6	11	4.17
2.	Lack of Access to loan and credit information	156	156	69	62	35	3.45
3.	Short repayment policy	138	129	63	49	31	3.96
4.	Competition with other financial institutions	67	79	126	71	67	3.63
5.	Social perception of MFBs	108	91	63	51	23	3.02
6.	Insider abuse	81	118	60	54	23	3.60
7.	Inefficient credit management	53	67	124	77	89	2.93

Source: Field Survey (2023)

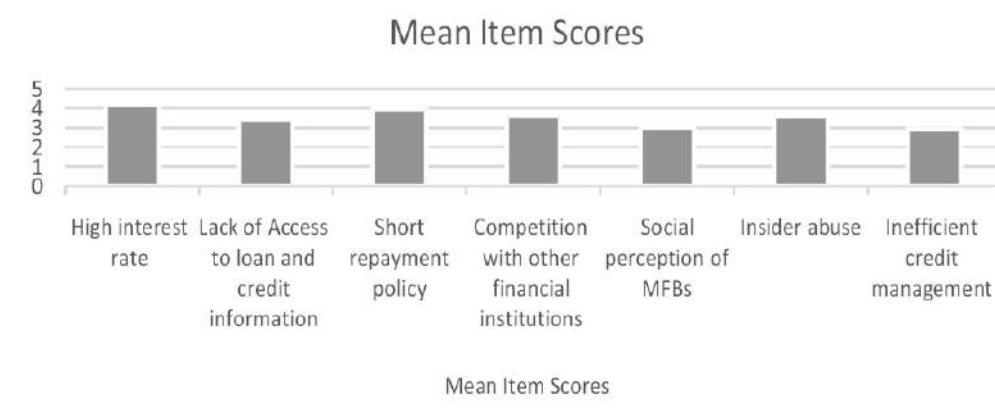
**Figure 4.6: Constraints to Accessibility of Financial and Non-Financial Services of MFBs by the Respondents**

Table 4.2.1 shows some of the constraints affecting the performance of the MFBs in Anambra State. According to the responses of the respondents, 209 which is 50% percent of the respondents agreed that high interest rate charged by the MFB constrained accessibility by credit/loan by the households, while 11 representing 2 percent strongly disagreed that high interest charged by the MFBs is not a constraint to accessing loan and credit by the households.

Further responses show that 156 respondent representing 38% percent agreed that lack of access to credit is one of the constraints faced by the respondent in access financial services of the MFBs in Anambra State while 35 respondents representing 8% strongly disagreed that lack of access to credit/credit information is not a constraint faced by the respondents in accessing financial/non-

financial services offered by the MFBs.

On short repayment policy, competition from other financial institutions, social perception of MFBs, insider abuses and inefficient management skills, the result shows that 129 respondents representing 31% agreed that short repayment policy is a constraint while 31 respondent representing 7% strongly disagreed. (126) respondents representing 30% were undecided as to whether competition from other financial institution (Commercial Banks) were a constraints faced by the household. Incidentally, there was a tie between the strongly agreed and strongly disagreed respondents on whether competition from other financial institutions was a constraint faced by the households. Furthermore, for social perception and insider abuses as constraints, 108 respondents representing 26% agreed that social perception is a constraint while 23 respondents representing 5% strongly disagreed that social perception is not a constraint faced by households/respondents. For insider abuse 118 (28%) agreed as against 23 (5%) disagree.

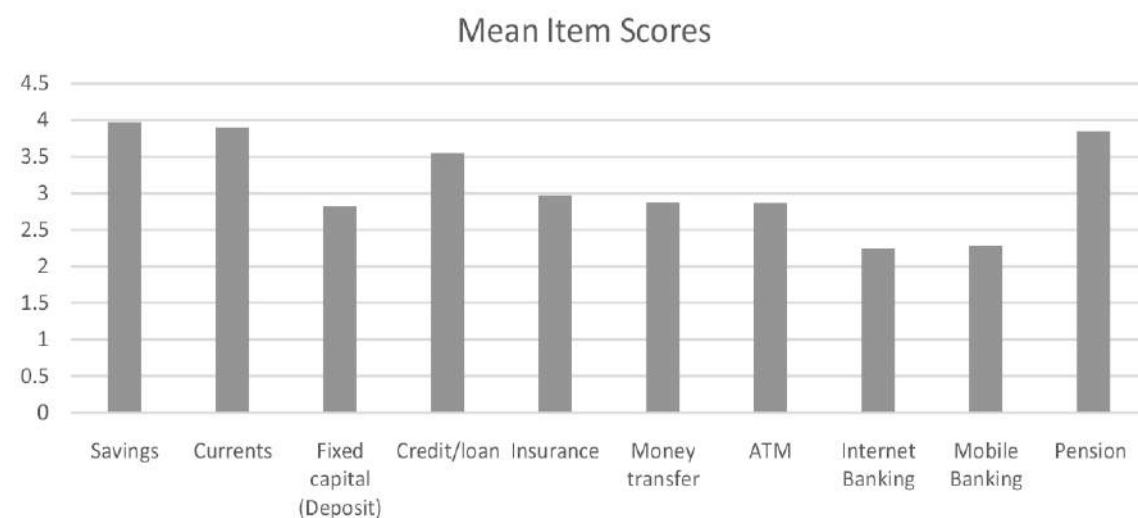
Lastly, 124 respondents representing 24 percent were undecided as to whether inefficient management was part of the constraints faced by the households/respondents in accessing financial services of MFBs in Anambra State.

Table 4.2.2: Financial Products Easily Accessible by Households in Anambra State.

S/N	Financial Services	SA	A	UN	D	SD	Mean Item Scores
1.	Savings	73	239	47	40	11	3.97
2.	Currents	49	221	70	40	20	3.90
3.	Fixed capital (Deposit)	63	105	105	42	47	2.83
4.	Credit/loan	80	136	96	53	35	3.55
5.	Insurance	51	76	126	71	76	2.97
6.	Money transfer	57	63	139	93	48	2.88
7.	ATM	23	49	37	201	73	2.87
8.	Internet Banking	38	50	50	129	143	2.25
9.	Mobile Banking	42	29	60	150	119	2.28
10.	Pension	180	91	40	42	41	3.85

Source: Field Survey (2018)

Figure 4.7: Financial Products Easily Accessible by Households in Anambra State.



From Table 4.2.2, which is on the evaluation of financial products easily accessible by the households/customers of the MFBs in Anambra State, the result revealed that 239 respondents representing 58% agreed that saving services as provided by the MFBs are easily accessible by the households while 11 households strongly disagreed. Forty-seven (47) of the respondents were undecided. Table 4.2.2 further revealed that 221 respondents representing 57% agreed that current account services of the MFBs are easily accessed by the households/customers, while 20 strongly disagreed. Since the agreed respondents outweigh the strongly disagreed, it could be concluded that current account services like savings are easily accessed as provided by the MFBs in Anambra State. On fixed account deposits, 93 respondents representing 24% agreed that fixed deposit service is easily accessed by the Anambra State households/customers but 105 undecided. Meanwhile, 126 respondents representing 32% were undecided on the insurance services as provided by the MFBs. Since 126 respondents were undecided and are over and above the 76 respondents that agreed on insurance services, it could be concluded that the insurance services as provided by the MFBs in Anambra are not accessible by the household/customers, better still, it could be that insurance services are not provided by the MFBs.

On ATM, internet and mobile banking services, 201(53%), 143(37%) and 150(39%) disagreed and strongly disagreed that these services are not provided or easily accessible by the Anambra State households, while 180 respondents representing 47 percent out of the total respondents strongly agreed that the MFBs in Anambra State make the pension services available.

Regression based Results/Interpretation

The regression result includes appraisal of MFBs on poverty alleviation.

4.3.2 MFBs and Poverty Alleviation Poverty

Poverty is measured by UNDP benchmark of \$/190 per day, which is equivalent to #249,600 per annum. A person is poor if he is below the bench mark.

Table 4.3.2: Poverty Alleviation

Dependent Variable: POVR					
Method: ML-Binary Logit (Newton-Raphson/Marquardt steps)					
Date: 08/25/20 Time: 09:48					
Sample: 1 410					
Included Observations: 410					
Variable	Coefficient	Odd ratios	Std. Error	t-Statistic	Prob.
SAV	-0.399996	0.398111	0.027962	-14.30481	0.0000
CRED	-0.210791	0.615473	0.033369	-6.316927	0.0000
EDU	-0.923249	0.119330	0.290231	-3.181080	0.0015
C	-1.018547		0.401389	-2.537556	0.0112
McFadden R-squared	0.467625	Mean dependent var		0.641463	
S.D. dependent var	0.480157	S.D. of regression		0.438171	
Akaike info criterion	1.105881	Sum squared resid		77.94932	
Schwaetz criterion	1.145063	Log likelihood		-222.7056	
Hannan-Quinn criter.	1.121382	Deviance		445.4111	
Restr. Deviance	535.1087	Restr. Log likelihood		-267.5543	
LR statistic	89.69755	Avg. log likelihood		-0.543184	
Prob (LR statistic)	0.000000				
Obs with Dep = 0	147	Total obs		410	
Obs with Dep = 1	263				

Source: Researcher's Computation with E-view version 10.

From the result in table 4.3.2 above as summarized, indicates that all the explanatory variables savings, credit/loan, Education have negative coefficient with values -0.399996, -0.210791 and -0.923249 respectively. Also the probability values are statistically significant which less than 0.05 are (0.000, 0.0000, 0.0015 and 0.0112). The z-statistics are -14.30451, -6.316927, -3.181080 and -2.537556. This shows that all are statistically significant. The implication is that the coefficient of saving -0.399996 (0.3981113) odd ratio suggests that when MFBs encourage households and MSMEs to save, the more likely they will stay out of poverty. Put differently, a percentage increase in saving decrease the incidence of poverty among the household by about 40%. The poverty level of those who assess loans/credit from MFBs may reduce by about 61% with coefficient of -0.210791 (0.615473) odd ratio. In same vein, educational qualification has a coefficient of -0.9232487 (0.1192303) odd ratio implying that it enhances poverty reduction at about 11%. The value of R-Square is 0.467625 indicating that about 46% of the variation in the dependent variable poverty alleviation is accounted by variation in the independent variables. The overall test of statistical robustness and reliability was executed using L-R test. The L.R statistic for poverty alleviation is 89.69755 with P-values of 0.00000. Therefore, the estimated model has a good fit and reliable for making inference.

5.1 Conclusion

The main thrust of this study was to assess the MFBs in Anambra state in line with the MPRSF objective of poverty alleviation in Anambra State. Particularly, the study focused on the accessibility of the financial and non-financial services of MFBs since MPRSF in 2005. The study also examined the constraints to the accessibility of the services of the bank. Findings from the

study indicate that men patronize MFBs than women. That the employment, income and assets of MSMEs have increased. Women decision making ability have also improved relatively. Customers between the ages of 41-50 patronize MFBs more than other age groups and that mostly less uneducated people form the bulk of MFBs customers among other findings. From the results obtained and inferences drawn, it was concluded that MFBs have significantly contributed to poverty alleviation in Anambra state with financial and non-financial services leading to expansion of old MSMEs and launching of new ones which means that they contribute positively to poverty alleviation and the achievement of other objectives in with MPSRF.

5.2 Recommendations

Based on the findings of the study, the following recommendations were made for greater contributions of MFBs towards poverty alleviation in Anambra State:

1. The government should provide basic infrastructure especially in the rural areas to enhance the operations of the banks as most MFBs prefer urban areas where the cost of doing business is low.
2. In line with the world technology drive, the banks (MFBs) should acquire appropriate Information Communication Technology (ICT) so as to boost the internet and mobile banking services based on the evidence that their unavailability hinders the performance of MFBs.
3. Provide and render financial and non-financial services/products that will be beneficial economically active poor at low interest rate.
4. Restriction of commercial banking activities on certain areas to reduce competition with DMBs so that MFBs could be harnessed for development in the rural areas.
5. Creation of dedicated fund in the CBN for easy assessment by the MFBs to the benefit of the poor.

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