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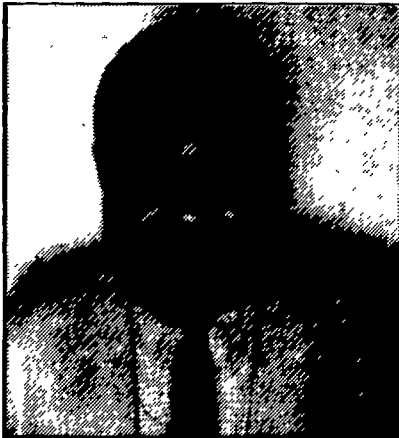


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**J. A. BABALOLA**

THE PEOPLE'S BANK OF NIGERIA : REVIEW AND UPDATE

INTRODUCTION

Banks are very important in the economic development of any nation. They can be called or referred to as catalytic agents that transform savings into capital. To this end, they mobilise resources from the surplus sectors of the economy and lend to the deficit sectors for investments purposes. Studies have shown however, that over the years in most developing countries, certain sectors of the economy were not well catered for in terms of access to the services rendered by banks. The sections could be grouped along the lines of those considered poor, weak such as underprivileged Nigerians and the small-entrepreneur groups. These groups are obvious and tended to be neglected because they lack collateral securities. In view of this, many developing countries have made serious efforts at improving the access of these

groups to bank finances. In Nigeria, similar efforts have led to the establishment of the People's Bank of Nigeria.

The objective of this paper therefore is to review the establishment of the People's Bank in Nigeria. To accomplish this, the paper is divided into five sections. Section one gives background to the establishment of the People's Bank in Nigeria, section two discusses the concept and operational features of the bank, section three appraises the operations, section four looks at the likely problems the bank may face, while section five discusses the prospects and conclude the paper.

PART I BACKGROUND TO THE ESTABLISHMENT OF PEOPLE'S BANK

The conventional banks were first established by the colonial masters whose priority was to promote the economic interest of their country. Consequently, they were not interested in the

promotion of indigenous entrepreneurs. The offices of the banks were located very close to their administrative headquarters which were always in the urban centres. As a result, they were interested mainly in mobilizing resources from the indigenous population to meet the economic development programme of their home country. Early attempt by Nigerians in the years to establish their own banks, which would cater for their own needs met with initial failure. However, when they eventually succeeded in establishing indigenous banks, they too decided to use strategies and techniques similar to their foreign competitors. In effect they operated in the same urban areas where business was thriving. With such development, a large part of the rural areas were unattended to, resulting in lack of banking services. Besides, the indigenous banks inherited credit recovery techniques

such as the demand by banks for collaterals and protracted formalization of borrowing instruments which put off all but big individuals and companies.

A survey by Archibald Callaway (1963 and 1965)⁽¹⁾ confirmed the real problems of access to credit in most developing countries. Out of the 225 enterprises covered in the study, only 2 per cent of the initial capital came from loans and credit from the bank. Apart from this, the poor small-scale agricultural producers and enterprises have long been known to account for a large share of the economic activity in developing countries. These group of people, do not have consistent income, no bank account and are not usually registered as a limited liability company. The study also confirmed that these groups constituted between 50-70 per cent of the labour force in the developing countries. These groups are not considered for borrowing from the banks and could not obtain government funding, therefore, resulting in incapacitating the groups in undertaking most of their feasible/viable projects. Indeed, the main source of initial invested capital in this sub-sector is personal savings or gifts from relatives and other

sources. Gifts from husbands also featured prominently in the case of female entrepreneurs.

Another World Bank study in 1989⁽²⁾ confirmed that a large number of small-scale activities employing the majority of the labour in most developing countries do not have access to institutional credit. For example, in India, it was not until the end of 1981 that the government was able to encourage and authorized leading banks to appoint a Deputy Manager in charge of credit to assist small and cottage industries. The same can be said of countries like Indonesia and Bangladesh where governments had to establish non-formal banks to lend money out to the poor without collateral. These observations apply to the poor and small-scale entrepreneurs in the informal sector in many other developing countries all over the world.

In an attempt to solve this problem in Nigeria, the federal government adopted a variety of strategies to provide access to credit to the poor and small businesses. Among the programmes introduced to solve the problems are: the establishment of the Nigerian Bank for Commerce and Industry in 1973 to provide loans to small and medium scale enterprises; and the introduction of rural banking scheme in 1977 to extend

banking services to rural areas. There were limitations in the performance of Nigerian Bank for Commerce and Industry due to the fact that their capital base was low. The extent to which the bank has extended loans to small and medium enterprises has depended largely on the capital base and the administration of the bank. The bank being owned by the government, has continued to rely heavily on capital and loans funds from government and on government guaranteed loans from international institutions like World Bank. The high cost of getting these funds in a way has to a large extent affected the availability of credit to small indigenous borrowers at a lower cost. Majority of their disbursements are mostly towards alien projects which are not in agreement with their set objectives. Apart from that, the bank also operates like any of the conventional banks by requesting for collateral when processing a loanee's application for credit. By so doing, many small borrowers are cut off from their loan portfolio.

The rural banking scheme was introduced in 1977 so as to mobilise savings deposits and lend to the rural people who do not have access to banking facilities. The rural

(1) Callaway Archibald, Nigeria Enterprises and the Employment of Youth: Study of 225 Businesses in Ibadan, NISER Monograph Series No. 2, 1973.

(2) World Development Report 1989: A World Bank Publication.

banks were to disburse about 40% of funds collected from the rural areas as loan and advances to areas where they are operating. The need to introduce the programme was borne out of the fact that most of the people in the rural sector depend almost entirely on non-institutional sources of credit particularly private money - lenders and traders. Their operations are characterized by high interest rates and all sorts of malpractices. For these reasons, the government decided to replace money - lenders by actively encouraging the banks to establish in the rural areas and acting as an alternative source of rural credit. Under the scheme, banks are required to set up branches in the rural areas over period of time. After the implementation of the third phase of the programme, 765 rural bank branches have been established as at end - June 1991. The total deposits mobilised in the rural sector increased considerably from N131.2 million in 1983 to N8.3 billion in June 1991 while the total loans disbursed also increased from N44.4 million in 1983 to N5.1 billion in June 1991.

Even though the total number of banks' deposits

mobilised and loans granted increased since the introduction of the rural banking scheme in 1977, the strategy to extend credit to a large percentage of the rural poor in the rural sector has met with limited success. Banks have been very reluctant to open rural branches. Most banks complain of high overhead costs, lack of basic infrastructures such as communications, rural electrification and poor roads. There are records of high staff turnover due to the refusal of their staff to go to rural areas. Low business volume also contributed to the unwillingness of the banks to open up branches in the rural areas.

The problems of the rural branching and the limited impact which the scheme had on the rural economy however encouraged and predicated the establishment of the People's Bank on the 3rd of October 1989 to provide an alternative accommodation to those denied of credit by the existing institutions and programmes. In actual sense, People's Bank was established for the purpose of eliminating the problems of collateral lending, spatial distribution of bank branches and high interest rates.

PART II CONCEPTUAL FRAMEWORK AND OPERATIONAL FEATURES OF THE PEOPLE'S BANK OF NIGERIA

CONCEPT:

The People's Bank of Nigeria is non-conventional bank established to provide specialised services for the poor. The Bank is non-conventional because its capital base is wholly provided by the government and it is exempted from all Banking Act regulations. Due to the limitations of the traditional banking system, the bank was set up and opened on the 3rd of October 1989 at Ajegunle in Lagos State by the President, General Ibrahim Badamosi Babangida. The bank is fashioned in line with the "Grameen Bank of Bangladesh" and "BKK of Indonesia" ⁽³⁾ which the socio-economic conditions of the poor, the unemployed, the small-scale entrepreneurs and others operating in the informal sector of the economy whose annual income have been defined at below poverty level, through the provision of financial assistance at low costs, so that they can have access to banking credit without collateral and be pro-

⁽³⁾ BKK - BADAM KREDIT KECAMATAN

Grameen Bank: As a result of the conditions of the poor in Bangladesh, the Grameen Bank was started in 1976 as pilot experimental development project for the landless. Its aim was to organise the rural poor through a credit programme so that the poor can have access to banking credit without collateral. The mode of operation of the Bank is as follows, a bank unit is set up with a field manager and a number of bank workers. Any person belonging to a household owning up to 50 decimals of cultivable land is eligible for the loan and must belong to a group of five like minded persons with similar economic and social status.

ductive in their self employed activities.

Following the set up and the mode of operation adopted by the Grameen Bank of Bangladesh and BKK of Indonesia, the People's Bank of Nigeria was first established as a pilot scheme between October to December 1990. The bank was established primarily to provide credit to the lowest - income and underprivileged group of Nigerians who are engaged in petty trading and a variety of other small businesses. However, the Decree No. 22 of 1990⁽⁴⁾ which later came to give legal backing to the establishment of the bank authorized it to operate as a specialised bank throughout Nigeria. The Decree states the following as the functions of the bank:-

- the provision of basic credit requirements for underprivileged Nigerians who are involved in legitimate economic activities in both urban and rural areas and who can not normally benefit from the services of the orthodox banking system due to their inability to provide collateral security.
- the acceptance of savings from the same group of customers and making payments of such savings together with any interest thereon, after placing the money, in bulk sums, on short-term deposits with commercial and merchant banks.

With equity capital of N230 million provided by the Federal Government as capital base, the bank's chairman and members of the board are to be appointed by the President from time to time as may be determined. During its pilot stage, the bank established 20 branches which are located in 8 states of the federation as follows: Lagos, Kano, Anambra, Cross-River, Benue, Niger, Oyo and Sokoto States. By January 1990 however, the bank was directed to establish its branches nationwide. As at the end of June, 1991, the bank has established 172 branches which are spread throughout the states of the federation and Federal Capital Territory, Abuja.

OPERATIONAL FEATURES:

For the bank to function effectively, a bank unit is set up in each of the approved locations with a field manager and a number of bank workers who supervise and make sure loans are given to individuals or group. Like the case in Grameen Bank of Bangladesh and BKK of Indonesia, People's Bank of Nigeria is being funded by the Federal Government, loans from States Governments and private individuals. By the end of June, 1991, the bank has collected N270.5 million from federal government as grant, N250 thousand as loans from state government and private individuals with free or low interest, and N1.0 million as donations. The bank is to give out

loans between N50 and N5,000 to interested borrowers as working capital. The bank does not ask for collateral and it charges no interest on the loan but a service charge of 15 percent to cover overheads and operating costs of the bank.

In order to ensure repayments, loans are given out on the basis of group membership. And to enjoy the loan facility, a loanee must belong to a group of like minded persons with similar economic and social status. Each group elects its own chairman and secretary and must hold meetings regularly. After observation period is over, two members in each group are selected for loan disbursement. The loan is to be repaid installmentally. The loanee is responsible for his or her loan, although there exists an informal inter-locking responsibility among the members of the group. That is, the group acts as a guarantor for the loanee when he or she is taking the loan. The loanee is free to use the money in any productive activity of his or her choice and must ensure that loan is repaid as at when due.

The loan utilization and repayment behaviour of the beneficiaries in the group are observed and it is only when these members behave properly by repaying their loans that other members of the

⁽⁴⁾ Federal Republic of Nigeria: Decree No. 22 of 1991.

group become eligible for receiving loans. If any of the members defaults, the whole group becomes ineligible to get the loan. Because of these restrictions, a lot of group pressure is always put on individual members to repay the loan. The bank workers play a very important role in disbursing loans and collecting repayments. They attend the group meetings where proposals of individual members are discussed and once a loan proposal has been accepted, the credit is disbursed by the bank.

PART III APPRAISAL OF THE BANK OPERATIONS

By the end of June, 1991 there were 172 branches established all over the federation with Lagos State having 11 branches, Borno and Plateau with 10 branches each and all other states have at least 6 branches each except Abuja with 2 branches (See Table 1). There are plans to commission more branches in each state of the federation before the end of the year 1991.

Apart from the branches established in each state, there are centres spread all over the states for easy access to the services of the bank. The centre plays a very important role in the processing and disbursement of loan. The bank worker attached to the centre attend the centre meet-

ing regularly and when loan proposals of individual members are discussed he assists in providing the necessary information needed by the loanees to guide them in their application for the loan. Once a loan proposal is accepted and approved at the Headquarters, the credit is disbursed by the bank staff and he monitors the activities of the loanee to see that the loan is repaid. The bank staff is the contact person between the loanee and the bank.

SECTORAL DISBURSEMENT OF LOANS BY TRADE

By the end of June 1991, the latest period for which information is available, a total of 92,084 loanees were granted N77.3 million. The share of different trades of total loans disbursed is shown in table 2. Cottage industries appear to be a very common business among the loanees. Others are transportation, agriculture, manufacturing and food production. On the other hand, majority of the loanees from the south were found to be females while those from the North were males. This situation can be attributed to the purdah system in the North and the fact that a large proportion of female entrepreneurs in the south of Nigeria as a whole are operating within the informal sector. Cottage industries accounted for 33.0 per cent of the total loans disbursed while agriculture (include peasant farmers, poultry and fisherman/

woman) which is also one of the commonest trade among loanees accounted for 15.0 per cent of the disbursed loans. Transport, manufacturing, petty traders and food selling/processing account for 16.0, 14.0, 10.0 and 12.0 per cent, respectively. The reasons for the observed sectoral distribution of the bank's loans can be deduced from the active role the rural people are now playing in the development of rural areas.

LOAN RECOVERY

Loans are given out to loanees and they are expected to fully repay the loan within one year on weekly basis for 50 weeks duration after enjoying a grace period of 2 weeks. However, if it is a loan meant for farming, the grace period is a minimum of 3 months depending on the gestation period of the crops involved. The excellent loan recovery pattern observed in Grameen Bank of Bangladesh was also observed in People's Bank during its period of operation.

Out of the total amount of N77.3 disbursed, a sum of N40.0 million or 51.7 per cent of total amount disbursed was actually recovered as repayment at the end of June, 1991. Apart from Ondo, Bendel, Kano, Rivers and Akwa-Ibom States which recorded 49.2, 48.3, 47.7, 32.1 and 27.7 per cent in their repayments, all

other states recorded repayments of more than 50.0 per cent. A breakdown of the disbursed loans on state by state basis further showed that most states recorded a very impressive repayment recovery rate. Bauchi State recorded the highest recovery rate of 167.3 per cent, while Benue and Plateau had 127.3 and 114.1 per cent respectively. Niger, Lagos, Imo, Anambra recorded 77.6, 69.7, 69.6 and 67.9 per cent, respectively. Oyo, Abuja, Ogun, Borno and Cross-River all recorded rates higher than 50.0 per cent (See Table 3).

The reasons that can be alluded to excellent loan repayment recovery of the People's Bank are personal interest of the loanees in repaying bank the loan and close supervision of the loanees activities by other group members. Others are channelling of loans to activities which generated regular income and the fear that if loan is not repaid, the loanee will not get another loan and other members of the group might be denied access to the loan.

MOBILIZATION OF DEPOSITS

In order to meet the increase in demand for credit, and to encourage capital accumulation, the People's Bank decided to supplement the grants received from federal and state governments and private individuals as

loans by encouraging saving among the loanees and the public at large. The savings scheme was fashioned after the one being operated by the commercial banks. The interest rates payable on deposits was 17 per cent in 1990, but as a result of the review in interest rate, it has come down to 13.5 per cent from the beginning of the year which, in fact, made it to be competitive with the savings rate in the banking system. This in fact, had been responsible for the substantial amount of savings deposits mobilised by the bank up to date. The total amount mobilised as at end - June 1991 stood at N111.7 million. This amount is less withdrawals made during the reviewed period. A total of N1.1 million was paid as interest on the deposits mobilised.

Lagos State had the largest share of N17.6 million representing 15.7 per cent of the total deposits. Followed by Gongola and Borno States with N13.0 million or 11.7 per cent and N9.5 million or 8.5 per cent respectively. Others are Ogun and Akwa-Ibom N8.4 million or 7.6 per cent, and N7.9 million or 7.0 per cent (See Table 4). Apart from Kaduna, Katsina and Sokoto which did not send in any return, it can be said that the bank performed very well in all the states within the shortest period of its operations.

SOCIAL & ECONOMIC IMPACT OF THE BANK ON THE LIFE OF THE LOANEEES

The main objective of the People's Bank of Nigeria is to provide credit facilities to the lowly poor⁽⁵⁾ men and women for creating job opportunities for the under utilised manpower resources in the economy. Therefore, this credit programme is targeted at the poor for improving their economic conditions.

The Bank has been able to provide credit to people without collateral. This alone has provided the people an opportunity of securing loan without tears. At least, people now have the chance to own labour and capital at a very low cost. Apart from that, many small-scale entrepreneurs have been able to improve their economic activities by investing the loan obtained from the bank in their businesses. This improvement enabled the bank to gain the confidence and cooperation of the people which invariably contributed to the success made by the bank so far.

Through the provision of credit, the bank has been able to provide an alternative source of funds and also reduce the exploitation of the money lenders. Loans are now given out without collateral and interest rate and only 15 per cent service charge is now paid on the loan. It has also

⁽⁵⁾ The Lowly poor here is defined to mean those living below the poverty line or those whose annual income is below the nation's per capital income.

encouraged the coming together of disadvantaged people within the fold of some organizational format under which they can operate. The bank has also helped to create job opportunities and discourage rural - urban migration to certain extent. The presence of the bank has further proved wrong the general belief that the poor have no capacity to repay loan given to them since they operate at a subsistence level. For example, 51.7 per cent of the total loans disbursed were recovered as at end June 1991. It has been shown that if financial resources are made available to the poor at reasonable terms and conditions, that they can generate productive self employment without any external assistance.

Activities of the bank may be said to have contributed to the increase in the level of income of self employed, it has also improved the psychological state and status of the loanees - since they now have some control over their means of production and what they produce. Infact, the regular and constant repayments observed is an indications of impressive performance of the bank which means that people are more interested in services of the bank.

PART IV

ANTICIPATED PROBLEMS:

Among the likely problems the bank may face during the course of it's operations

are the problems of management and control of the growing number of branches being established all over the federation, collateral, and long term finance or guaranteed source of income for the operations of the bank Given that the Peoples Bank is set up to eliminate problems of collateral lending, high interest rates and uneven distribution of bank's branches so as to expand the use of bank credit for income - generating economic activities among the poor segment of the Nigerian populace, the bank operation as we have seen involves many paper work. Therefore, there are bound to be overhead costs of head office, branches and centres whose intensive services are required for close supervision of the programme. A large percentage of the funds received by the bank from federal government is being used in financing overhead costs and for disbursement of loans to the state branches. The over dependence of the bank on government fund has also raised a serious question about the ability of the bank to survive without government support. Obviously the cost of operation of the bank would be higher compared to other banks that have only one or two branches. In that case, the issue of charging below - market interest rates on loan would have to be re-examined. For the bank to be able to perform without incurring loss, it must be adequately funded by the federal government or be allowed to operate as an inde-

pendent bank so as to be able to raise funds in the money market like any other conventional bank. Of course the issue here is whether or not credit should be provided at subsidised rates and to what extent would the government continue to subsidise such lending, particularly, in a situation where government fiscal operations continued to be in deficits.

Moreover, since the bank will have to operate like the commercial and merchant banks by accepting deposits and lending out money, hence the issue of 'money creation' in the economy will have to be addressed. The ability of the bank to create money is likely to have an impact on the banking system liquidity. The decision of the bank to accept deposits from individuals which they will have to invest in other instruments for generating income for the bank may expose their customers to some degree of risk like any other depositors with either commercial or merchant banks. In that case, it may be necessary to see that such activities of the bank come under the supervision of the Nigerian Deposit Insurance Corporation for proper protection of their customer's deposits.

The issue of nationwide branching network which the bank is supposed to operate may be found to be rather too large for a relatively young organisation like the People's

Bank. The bank management may not have the capability to co-ordinate, manage and control a complex organisational structure like the type being embarked upon by the bank. This is likely to be quite costly in terms of being able to hire and retain the best hands in the industry - particularly in the face of fierce competition for qualified hands by newly emerging banks.

Lastly, the decision to link loan disbursement with membership of a peer group may not necessarily act as a security against loan repayment default. It may be good to go beyond relying on peer pressure which may likely be weak and, hence lead to high default rate by tying loan or credit disbursement to savings as it is done by Grameen Bank.

PROSPECTS AND CONCLUSION

The People's Bank of Nigeria is set up with an objective of extending credit to lowly poor people. The need for a separate credit institution arose as a result of the limitations of the traditional banking system in providing small loans to the poor. The Bank is being financed by the Federal Government and with loan from some state governments and individuals in the country.

It is observed that the bank has progressed at a quite fast pace. By the end of June 1991, 172 branches has been established all over the country

with centres spread across the country. Like the Grameen Bank in Bangladesh, the bank has taken banking services to the door step of the people - instead of waiting for the people to come to it.

The bank has disbursed a substantial amount of money to people since it started operation. And the loan recovery performance is excellent. Most of the loanee responded very well by repaying their loans promptly. This may be due to the fact that future disbursement of loans is based on the present performance of the loanees.

It is also observed that the disbursement of the loans had a positive impact on the loanees. Their socio-economic activities are found to have increased, rural-urban migration reduced, the confidence and social status of the people improved. This infact has helped to alleviate the problem of poverty among the poor. The bank also encouraged capital accumulation through its savings deposits scheme. As at June 1991, the period for which information is available, the bank has mobilised a total sum of N111.7 million as deposits. The performance is very impressive and it is a sign of good development.

Available data shows that the bank has been able to generate N27.6 million as interest both on the loans granted to loanees and on their various investments in other banks. This is a good development and the income realised from this source can easily be used in financing the

activities of the bank instead of continuing to rely on federal government grants.

Similarly, in an effort to ensure that the bank is self-sustaining, the Federal Government has set aside a sum of N150 million in the 1991 budget as equity base for the formalization of the bank's structure, organisation and financing so that it can be a properly licensed bank. Further reorganisation has also taken place at the bank with a reconstituted and enlarged board to run the affairs of the bank.

It is however evident that the bank has shown a lot of promise for the poor and it has been able to spread its activities to all states of the federation. For the loanees, this is a blessing, since most of them do not have to possess enough assets to serve as collateral for borrowing before they are granted credit, a factor that does not make them credit-worthy to other financial institutions. By reducing the bureaucratic practice of overwhelming paper work and delay in loan sanction and recovery, People's Bank of Nigeria has halted the vicious loan default problem encountered by other traditional banks.

TABLE 1**STATE BY STATE DISTRIBUTION OF BRANCHES**

STATE	31ST DECEMBER 1990	JUNE 1991
Akwa-Ibom	4	7
Anambra	7	7
Bauchi	6	8
Bendel	6	8
Benue	8	8
Borno	6	10
Cross-River	4	4
Gongola	6	9
Imo	8	8
Kaduna	7	8
Kano	6	9
Katsina	8	8
Kwara	6	6
Lagos	10	11
Niger	7	9
Ogun	7	8
Ondo	8	9
Oyo	8	8
Plateau	8	10
Rivers	7	7
Sokoto	8	8
Abuja	2	2
TOTAL	147	172

Source: Returns from People's Bank of Nigeria.

TABLE 2
SECTORAL DISBURSEMENT OF LOANS AND ADVANCES AS AT

JUNE 1991

SECTORS	TOTAL NO. OF BENEFICIARIES	AMOUNT DISBURSED	PERCENT OF TOTAL AMOUNT DISBURSED
Agriculture	13,813	11,596,538	15.0
Cottage Industries	30,153	25,572,383	33.0
Petty Trade	9,208	7,731,025	10.0
Transportation	14,733	12,369,641	16.0
Manufacturing	12,893	10,823,435	14.0
Food Production	11,284	9,277,230	12.0
TOTAL	92,084	77,310,252	100.0

Source: People's Bank of Nigeria.

TABLE 3
SUMMARY OF LOAN DISBURSEMENT AND REPAYMENT
AS AT JUNE 1991

<i>State</i>	<i>Number of Beneficiaries</i>	<i>Total Loans Disbursed</i>	<i>15% Service Charge of Loans</i>	<i>Loan Repayment</i>	<i>Percent of Repayment</i>
Akwa-Ibom	1,976	2,856,115	223,681	791,485	27.7
Anambra	3,961	3,848,010	301,363	2,613,968	67.9
Bauchi	1,695	1,292,650	101,235	2,162,550	167.3
Bendel	6,576	5,747,700	450,140	2,775,988	48.3
Benue	1,342	1,291,600	101,154	1,644,768	127.3
Borno	4,815	3,336,100	261,272	1,903,823	57.1
Cross-River	2,465	2,222,270	174,040	1,166,089	52.5
Gongola	4,792	3,338,300	261,444	2,368,097	70.9
Imo	2,445	2,638,100	206,607	1,834,853	69.6
Kaduna	5,592	5,312,850	416,084	N/A	N/A
Kano	6,079	4,098,690	320,995	1,955,185	47.7
Katsina	7,859	5,063,456	396,592	N/A	
Kwara	2,453	1,978,700	154,965	1,409,597	71.2
Lagos	9,479	9,703,610	759,953	6,761,140	69.7
Niger	2,038	1,401,850	109,788	1,087,960	77.6
Ogun	3,380	3,393,450	265,763	2,016,184	59.4
Ondo	6,794	5,930,150	464,429	2,918,815	49.2
Oyo	5,726	4,126,576	323,179	2,459,583	59.6
Plateau	2,562	1,940,950	152,008	2,214,827	114.1
Rivers	4,470	3,823,600	299,451	1,227,785	32.1
Sokoto	3,956	2,812,550	220,269	N/A	N/A
Abuja	1,629	1,152,475	90,258	685,611	59.5
TOTAL	92,084	77,310,252	6,054,670	39,998,308	51.1

TABLE 4

**SUMMARY OF SAVINGS DEPOSITS MOBILISED
AS AT END JUNE 1991**

STATES	SAVING DEPOSIT MOBILISED	INTEREST PAID ON SAVINGS DEPOSITS	PERCENT OF TOTAL DEPOSITS MOBILISED
Akwa-Ibom	7,856,437	74,235	7.0
Anambra	5,725,769	51,384	5.1
Bauchi	2,439,300	22,477	2.2
Bendel	5,614,138	89,403	5.0
Benue	5,086,595	25,640	4.6
Borno	9,502,015	76,995	8.5
Cross-River	2,188,795	28,047	2.0
Gongola	13,043,083	63,889	11.7
Imo	4,735,539	95,885	4.2
Kaduna	N/A	N/A	N/A
Kano	5,126,217	67,444	4.6
Katsina	N/A	N/A	N/A
Kwara	4,912,771	53,145	4.4
Lagos	17,563,538	208,880	15.7
Niger	1,033,452	8,596	0.9
Ogun	8,435,522	61,570	7.6
Ondo	5,756,737	39,450.0	5.2
Oyo	3,759,497	30,516	3.4
Plateau	5,222,917	40,905	4.7
Rivers	1,842,294	38,798	1.6
Sokoto	N/A	N/A	N/A
Abuja	1,878,469	16,365	1.7
TOTAL	11,723,085	1,093,623	

TABLE 5**SOURCES AND APPLICATION OF FUNDS AS AT JUNE, 1991**

<i>ITEMS</i>	<i>SOURCE</i>
Grants from Federal Government	270,556,197
Donations Received	1,000,000
Loans from State Governments and Private Individuals	250,000
Interest Received	27,568,800
Remittances from Branches	10,614,190
Sundry Creditors	21,555
TOTAL	310,010,742
	APPLICATION
Deposits with other Banks	96,278,319
Funds sent to Branches	154,861,761
Furniture and Equipment	3,228,558
Rent and Other Charges Paid in Advances	1,442,000
Operating Expenses	7,030,270
Fixed Assets	1,159,540
Motor Vehicles	45,408,260
Other Assets	501,555
Cash	479
TOTAL	310,101,742

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