

# Impact of Microfinance Banks on Poverty Reduction in Nigeria

Angus O. Unegbu<sup>1\*</sup> & Adaeze V. Orji<sup>2</sup>

1. College of Management & Social Sciences, Rhema University Nigeria, Aba Abia State.

2. School of Postgraduate Studies, Rhema University Nigeria, Aba Abia State.

\*e-mail of the corresponding author: [unegbu4@yahoo.com](mailto:unegbu4@yahoo.com)

doi: <https://doi.org/10.37745/ejafr.2013/vol14n35582>

Published May 24 , 2026

---

**Citation:** Unegbu A.O. and Orji A.V. (2026) Impact of Microfinance Banks on Poverty Reduction in Nigeria, *European Journal of Accounting, Auditing and Finance Research*, 14(3),55-82

---

**Abstract:** *Impact of Microfinance Banks on poverty reduction in Nigeria focused on the nexus of licensed Microfinance Banks in Nigeria based on sample case study to poverty reductions. Survey designed method was employed to brainstorm with users of Microfinance Banks on the relationships between poverty reduction and micro-loans, micro-savings and transfer payments which are proxies employed by Microfinance Banks for poverty reduction mechanism. Three hypotheses were raised each for the proxies. The chosen sample size is seven hundred respondents with a completed feedback of five hundred and fifty-three. The statistical technique adapted for the decision tests are Pearson Correlation and Regression analysis. The results showed that all the three proxies have a statistically significant effect on reducing poverty in Nigeria, with micro savings having the largest effect. We recommend a strategic policy effort to encourage the multiplication of licensed Microfinance Banks in the Country and spread of the existing licensed Microfinance Banks. It is recommended that further research be carried out on Microfinance Banks' Capacity Building and inclusiveness for rural areas and physically challenged customers so that their functions of poverty reduction will be widely spread and felt deeply in the Country.*

**Keywords:** microfinance banks; poverty reduction; impact of micro loans; impact of micro savings; microfinance transfer payment effects.

---

## INTRODUCTION

Poverty has been an issue of major concern to many nations of the world, with Nigeria being one of them. The issue of poverty in Nigeria is a very significant one, with many individuals being unable to access basic needs like food, clothing and shelter and other necessities of life (Ajakaiye

and Adeyeye 2001). According to the World Bank (2022) Nigerians poverty rate is rated at 40.1% indicating a high rate of poverty in Nigeria.

The World Bank (2022) report assert that most Nigerians live below the National poverty line of ₦137,430 per year and also many Nigerians lack education and access to basic infrastructures such as electricity, safe drinking water, and improved situations. It further reported that Jobs do not translate Nigerian's hard work into exit from poverty as most workers are engaged in small scale household farm and non-farm enterprises and just 17% of Nigerian's workers hold the wage Job best able to lifts people out of poverty.

The poverty statistics as seen in National bureau of statistics (2022) report reveals that 63% of Nigerians population which translates to about 133 million people lives below the National poverty line of ₦137, 430 per year. The report provided insight into poverty and inequality in Nigeria, highlighting the need for targeted intervention to address these issues. World Bank (2022) also confirms that Nigerian's poverty assessment is about 4 in every 10, which means that Nigerian's are living below the national poverty line. Added to the poverty level, is the problem of assessment to bank loans and other credit infrastructures in Nigeria. According to Robinson (2010), In order to provide people with loan and other credit facilities, access need to be made a little bit easier. Increased access to savings, credit and other financial services for the poor is one of the fundamental components of microfinance. According to Onyele et al (2020), it is for this reason microfinance is created to fill the gap between the rich and the poor's accessibility to loans and other credit facilities.

The formal institutions are organizations that operate within a well-defined regulatory framework and are subject to oversight by government Agencies or financial regulatory bodies. They include commercial banks, specialized banks and others.

Semiformal institutions are institutions or organization that operates between formal and informal finance institution. They most often provide financial services to individuals and businesses that may not have access to formal financial institutions. Examples of such institution include microfinance institution, credit unions and others. Informal institutions are organizations or arrangements that operate outside the formal financial system. They provide financial services to individuals and businesses that may not have access to formal financial institution. Examples of these institutions include Rotating Savings and credit associations (ROSCAS), money lenders and many more.

According to Christopher et al (2025), microfinance was created to bridge the gap between the rich and the poors' accessibility to loans and other financial services, to help grow their micro, small and medium size businesses. Microfinance is an important element in alleviating poverty in Nigeria, they are provided with appropriate policy and framework for its operations as mandated by the federal government to the central bank of Nigeria. The central bank of Nigeria (CBN) launched the guidelines for the implementation, supervision and regulation of microfinance banks, which took effect on April, 2020 the regulatory framework covers areas such as licensing measurements,

permitted activities and corporate governance. Laws applying to microfinance banks in Nigeria include

- The central bank of Nigeria act
- The bank and other financial institutions act {BOFIA} 2020
- Central bank of Nigeria guide for the regulatory and supervision of microfinance bank in Nigeria (CBN 2020).

This framework provided a roadmap for the participation of shareholders in microfinance banks, and guidelines to the use microfinance as a tool for poverty alleviation and economic empowerment and how to use microfinance to increase access to financial services and also develop a viable and sustainable microfinance sector. This encouraged and produced over 700 microfinance banks as at 31<sup>st</sup> August 2010 this is according to the Nigerian deposit insurance corporation (NDIC).

Microfinance banks solely focused on the poorest of the poor who are unable to access the financial services of the commercial banks, since the commercial banks focused on the provision of credit facilities to the resource based customers, businesses and government to keep the flow and cycle of economic and financial resources balanced.

The importance of microfinance banks in Nigeria and their impact on the reduction of the high rate of poverty that has saturated the lives of many Nigerian's cannot be overlooked, because of the range of financial services they provide and the success rate it has recorded through the financial status of individuals, job creation, providing credit services, savings and many more services which have positively affected the lives of many Nigerian's (Madugba et al, 2021).

### **Statement of the problem**

Despite the country's large economic potential many Nigerians still lack access to financial services, hindering their ability to escape poverty (Arogundade, 2011). Microfinance banks are created as potential solutions to address the issue of poverty and providing financial services to low income individuals and micro enterprises. According to the Nigeria Deposit insurance corporations (NDIC) there are over 700 microfinance banks in Nigeria as at (2010-2023). The growth of these microfinance banks, notwithstanding, poverty remains issue of major concern with a significant portion of the population living below the poverty line (World Bank 2020). According to Opara (2010), small scale enterprises in Abia State face numerous challenges that impede their performance, stability and suitability, these challenge include limited access to finance, inadequate infrastructures and lack of entrepreneurial competence. The reason for this high level of lack of loan assessment is the main focus of this project. This research is also set to investigate how well; microfinance banking services has helped in reducing poverty in Nigeria with a focus in Abia State.

### **Aims and Objectives of the Study**

The broad objective of this study is to examine the effect of Microfinance Banking Services on poverty Reduction in Nigeria with a focus on Abia state. The specific objectives are:

- i. To evaluate the effect of micro-saving on poverty reduction in Nigeria with a focus on Abia state.
- ii. Establish the effect of access of SMEs to micro-loan on poverty reduction in Nigeria, with a focus on Abia.
- iii. To determine the effect of transfer payment functions of microfinance banks on poverty reductions in Nigeria using Abia state as a case study.

### **Research Questions**

The following Questions have been developed

- i. What is the effect of micro savings on poverty reduction?
- ii. To what extent do the SMEs access to micro-loans from Microfinance Banks affect poverty Reduction
- iii. What is the effect of transfer payment function on poverty reduction in Abia State?

### **Statement of Hypotheses**

Following the research objectives and questions, the following hypotheses have been formulated

HO<sub>1</sub>. There is no significant relationship between micro savings in microfinance banks and poverty reduction in Nigeria (Abia State).

HO<sub>2</sub>. There is no significant relationship between SMEs access to micro- loan from microfinance banks and poverty reduction in Nigeria (Abia State).

HO<sub>3</sub> There is no significant relationship between transfer payment services in microfinance banks and poverty reduction in Nigeria (Abia State).

### **Significance of the Study**

The significance attempts to validate the study's applicability and possible influence to its various stakeholders. The following might be considered significant for a study on microfinance and poverty reduction in Abia State:

- ✓ **Policy Makers:** The result will help shape policy, direct creation of more efficient microfinance programs and eventually support the regions larger objectives of eradicating poverty and fostering economic growth.
- ✓ **Academic:** researchers and scholars are now availed with additional literature on the concept of microfinance banking services and its effect on poverty reduction.
- ✓ **Investors:** it will help investors access the credibility and reliability of the owners and managers of micro-businesses and will be able to determine genuine businesses that will help reduce poverty.
- ✓ **Microfinance Managers:** Enable microfinance institutions improve their service and increase their impact and better serve their customers as well as contribute to poverty reduction and improve standard of living for low income population as well as promoting financial inclusion

enabling more people to access essential services and improve their economic wellbeing and also enable rural dwellers to know the appropriate banking roles and also know the impact savings has toward the sustainable growth.

- ✓ **Government Authorities:** Bring the awareness of government on the importance of microfinance banks, thereby developing ways to improve the quality of their services to help reduce poverty.

### Scope of the Study and Limitations:

The microfinance institutions (MFIs) that operate in Abia state were the subject of this research and the study examined the effect of MFI Bank Services using proxies such as Micro credit, Micro savings geared towards reduction of poverty in Nigeria. Other proxies of poverty reductions mechanisms and policies were not studied. The study is also limited to Abia State and only licensed microfinance Banks were selected in the study.

The study covered a period of ten years, from 2010-2024. This period was chosen because of the increase in Microfinance banks within this period and also the need to validate the government's claims of reducing poverty considerably within this period.

## LITERATURE REVIEW

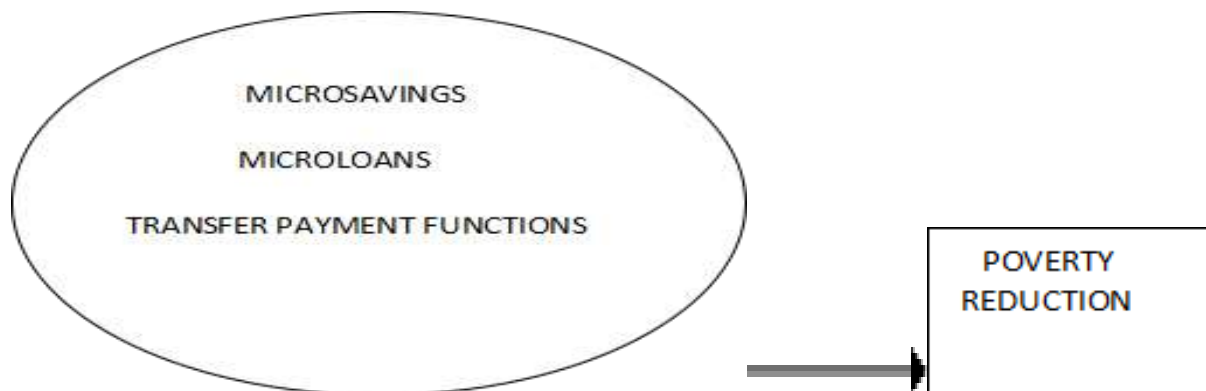


Figure 1  
Source: Researcher's compilation, 2025

### Conceptual Framework

#### Micro Finance Banks in Abia State

There are fourteen microfinance in Abia State. They are: Abia State University Microfinance Bank Ltd; Bundi Microfinance Bank; Chibueze Microfinance Bank; East Gate Microfinance Bank;

Merchant Microfinance Bank; Michael Okpara Uniagric Microfinance Bank Ltd; Nkpa Microfinance bank; Ohafia Microfinance Bank; Abia SME (Swift microfinance Bank) Umuchu Microfinance Bank; Uvoma Microfinance Bank Ltd; Mayfair Microfinance Bank.

### **Micro Loans**

Duçi et al. (2025) findings indicate that microloans contribute to business income, job creation, and household stability. They assert that Microfinance plays a crucial role in enhancing financial inclusion by providing accessible and flexible credit opportunities, particularly for low-income individuals and small businesses. Their findings further indicate that a balanced proportion of borrowers reinvest in their businesses, primarily for expansion (37%) and technological upgrades (41%), while fewer focus on production increases (8%) and asset purchases (10%). This finding gives credibility to the assertion that microloans serves as a pillar to additional capital to many Small and Medium Scale Enterprises (SMEs) both in Nigeria and other developing economies. One of the financing sources of SMEs might be regarded as microfinance credit, due to its involvement in the growth of SMEs. It has a significant impact on reducing poverty (Amis et al 2017). Kamaldeen (2025) studied the impact of Microloans on Small Business Growth in rural areas of North-East Nigeria. The study integrates secondary and primary data and her findings reveal that microloan coverage in rural North East Nigeria expanded from 18.2 percent in 2014 to 51.4 percent by 2024, with women-led businesses accounting for 57 percent of microloan recipients in 2024. Micro-credit in fund designed it enables the unemployed, entrepreneurs, small and medium scale enterprise and rural persons participate in the market economy. It has been identified as a major tool for the poor and low income people towards poverty reduction. The financial support received assist the earners increase their income and earning capacity, bringing investment into the community and creating employment (Kaseva 2014).

Roadwan (2012) opines that microfinance is the provision of financial services to low income earners, including customers and self-employed individuals who traditionally lack access to formal money deposit banking and related services. In other words, it is the provision of small loan (micro credits) to poor people to enable them engage in productive activities or grow their businesses which in turn help in alleviating poverty.

A well designed micro credit system can assist SMEs in obtaining inexpensive credit services especially if there are flexible choices for repaying the loans (Alhassan & Hoedoafice, 2016). As stated by Bragg (2010). “The short term frame reduces the risk of non-repayment to the bank, which can be reasonably certain that the business’s fortune will not decline so far within such a short period that it will be able to repay the loan, while the bank will also be protected from long-term variations in the interest rate.”

Kamaldeen (2025) assert that Microloan characteristics in rural Nigeria typically include loan sizes between ₦10,000 and ₦500,000, repayment periods from three to twelve months, and interest rates ranging from 2% to 5% monthly. These loans are often disbursed via microfinance banks,

cooperatives, or NGO-linked community finance platforms. Group lending models with minimal collateral requirements remain the norm, leveraging peer pressure and social accountability.

Sales, liquidity, and even operational expenses of SMEs may be impacted by the quantity of credit made available by financial institutions. Numerous scholars including Oleka et al (2014) contended that the loan size has a favorable impact on SMEs expansion. Additionally Oleka et al (2014) went further to state that businesses that obtain a suitable loan amount typically out-perform those that do not this is because favorable loan amounts for clients, matching SMEs demands have an impact on the viability of businesses. According to Martin, et al (2022), the first advantage of micro credit is that the loan itself gives recipient temporal access to additional funds that may be utilized in expansion of their business capacity for more income. Huibe et al 2025 carried out a research on financial aids and loan to low income farmers in China. Their findings demonstrate evidence that financial aid and loans to farmers matters a lot in financial poverty alleviation in China.

### **Micro-Savings**

Micro savings is a way of setting aside some of one's current income for future purposes. It can be held at home, deposited in a saving account, as well as used to purchase other kinds of capital. Savings is a crucial service for business owners searching for a safe and practical deposit service that permits minor transactions and simple money access (Wasike et al, 2023).

Similar to a regular savings account, micro savings account are made to handle smaller sum of money. The minimum balance criteria for establishing a bank account are sometimes disregarded or set at an extremely low level to enable account users save tiny sums without necessarily paying for the services. Abubakar et al (2026) examined the impact of micro-credit and micro-savings on wealth creation among microfinance bank customers in Dutse, Jigawa State, Nigeria and finding that micro-credit and micro-savings have positive and statistically significant effects on wealth creation. Most developing nations offer micro savings service to assist low income earners in saving for future investments or coping better in contingent situations (Abiola,2016).Customers choose microfinance organizations lending and saving services for reasons such as savings for children education funding, contingency situations, project financing, company expansion. This is as a result of their ability to stoop low to the customer's level, accommodating and encouraging them through their services. Most customers see required savings as an opportunity to save more (Abiola 2016). Abdikhaiq et al (2022) **assert that an** increase in micro credit and micro saving for the low-income population leads to an increase in microfinance sustainability and job opportunities. Additionally, the study suggests that micro-saving positively impacts job creation, which implies that micro-saving relies on micro-credit and job creation.

Micro savings can be employed as a means of eradicating poverty, According to organization for economic cooperation and development (OECD), a process that aims to lower the degree of poverty in a community among a group of people or nation is known as poverty reduction( or alleviation). Programs are mostly organized with its focus on reducing poverty which may be economic or non-

economic. Education, Economic growth and wealth redistribution are a few of the strategies employed with the goal of the initiative centered on poverty reduction and also eliminating social and legal constraints on the poor's ability to increase their income. The success of poverty reduction programs depends on empowering the recipients and getting them involved in profitable businesses or trade. For such ventures to thrive the micro entrepreneur must be willing to save. According to Takariva (2016), improving the standard of living of those who are already poor is a major step in the fight against poverty. Given the variety of factors that contribute to poverty and its alleviation this study seeks to determine if Microfinance institutional loans, Savings

### **Transfer Payment Services**

Adelekan et al (2019) highlighted financing as one of the primary challenges influencing MSMEs in Nigeria, which is compounded by the reality that deposit money banks in Nigeria seldom give loan facilities to small enterprise. Transfer payment functions involve the role of microfinance banks in facilitating the movement of cash from one party to another without direct exchange of goods and services. These payment functions in microfinance context include salary payment, pension disbursement, loan disbursement and repayment, remittances, (domestic and international) Government to persons(G2P) transfers. Microfinance plays an increasingly important role in transfer payment especially in the rural and underserved areas and this function fosters financial inclusion.

According to Adefiranye & Jenkwe, (2024), Cooperative Financing by Small and Medium Enterprises in the Federal Capital Territory Nigeria, was found to be a highly effective method for addressing the financial needs of small and medium-sized enterprises in Nigeria. Cashless policy instruments such as point of sale gadgets (POS), Mobile and online payments, Automated Teller Machines (ATM), impacts key performance metrics of microfinance banks. Effective utilization of these payment instruments, explores profitability and return on equity and assets (Nzenwa 2023). According to Madugba et al (2021) electronic banking overall boosts financial performance and significantly affects proper financial performance of deposit money banks. Egger et al. (2022) examines indirect effects on local businesses, finding positive impacts on their revenue but no significant impact on their profits. This finding, indicates that micro finance transfer payments increases realisations which may not equate to increases in gains/profits.

### **Poverty Reduction**

As a global epidemic, poverty has drawn the attention of researchers and policy makers who have proposed channels for reducing it, which must be addressed in order to raise societal standards (Bent 2019). According to researchers, societies can only eradicate poverty if they have the resources needed to rapidly expand their income generating economic activities such as small scale farming, small businesses and sole proprietorship (khan et al,2020). The world Bank defines poverty as a severe lack of material security that takes many forms, it includes having low income and being unable to afford the essential goods and services required for a dignified existence. Low level of health and education, insufficient access to clean water and sanitation, insufficient physical security,

lack of voice, and insufficient capacity and opportunity to improve one, life are all included in poverty (Chikwira et al 2022).

In order to end poverty in a nation, a number of economic and humanitarian measures are introduced (Manzor et al 2019). Poverty Reduction is a collection of policies that promote and are designed to promote means of empowering the underprivileged to generate income for themselves as a route for permanently ending poverty (khan et al 2020) The general expansion of the economy has a major impact on the elimination of poverty. According to (Bent 2019), improving the living conditions of those who are already poor is a necessary step in the fight against poverty, given the variety of factors that contribute to poverty and aid its reduction, the current study seeks to determine if microfinance institution Loans, Transfer Payment Functions have an impact on Reducing Poverty in Abia state.

## **Theoretical Framework**

### **Sustainable Livelihood Theory:**

This theory is a broad concept discussed by various scholars, researches like Robert chambers and the Institutes of Development Studies (IDS) have contributed to the understanding and development of this theory. This theory emphasized on the importance of understanding the complex and dynamic nature of livelihoods and the need to support sustainable livelihoods through a people centered and participatory means or approach and the microfinance fits perfectly into that picture or gap. The framework is used to understand how people make a living and how to reduce poverty. According to Morse (2025) livelihood analysis is an analysis of capital or assets including human capital, natural capital, economic capital, social capital, and physical capital. Microfinance considers the various assets, capabilities and strategies that individuals and households use to make a living and aims to promote sustainable livelihoods through a holistic and integrated approach.

It stipulates the need to compact poverty through integrating financial services with complementing initiatives like health care, education, skill development, and social connection. Efina (2020) claims that consumer categories such as payments and loans are quite active, nevertheless there also appears to be an increasing level of interest in savings and asset management. Small business loans, insurance, as well as pensions all need to be improved. Microfinance may not be enough to address all the facets of poverty because it is frequently a complex problem. A more thorough strategy for reducing poverty that takes into account both economic and social factors might be used by combining microfinance with other development initiatives, such as vocational training or healthcare (Littlefield et al 2003). Microfinance loans can be used to launch or grow small scale business that will in turn provide income and job opportunities, and bring about economic growth for borrowers and their communities. The effectiveness of this theory is depended on factors such as, expertise, existence of supportive infrastructure and a good market dynamic.

### **Empirical Review**

Christopher et al (2025) study, examined the effect of microfinance bank credit on entrepreneurial performance in Ado-Odo Ota Local Government Area, Ogun State. A structured questionnaire was administered to 100 entrepreneurs who had accessed credit from microfinance banks in the region, and the valid responses were analyzed. SPSS was used to analyze the data, and chi-square tests were employed, in which the findings revealed a statistically significant relationship between lending rate and business profitability.

Another recent research was conducted by Ezeanyeji et al. (2020), on the connections between microfinance, reducing poverty and economic growth in Nigeria from 1998 to 2018. The Autoregressive distributed Lag (ARDL) model was the foundation for the analysis. The study findings demonstrated that loans from microfinance institution have long-term significance negative impact on poverty. Kasali (2020) analyzed the impact of microfinance loans on poverty reduction in south West Nigeria using primary data, the study adopted a stratified sampling technique to collect cross-sectional data through a structured questionnaire the propensity score matching (PSM) methodology was utilized to analyze the result.

The study revealed that microfinance loan has favorable contributions to poverty reduction in the study area, but there is still a need for government aid. Government should support the MFIS with funds that would be disbursed at concessionary interest rate. The availability of more infrastructural facilities and a more enabling environment would effectively spice the establishment of more MFIS in rural areas.

In Bangladesh, Akhter & Cheng (2020) examined the efficiency of micro credit as a tool to increase disadvantaged women's access to finance in rural regions. The study employed underprivileged rural women to examine how beneficiaries of micro credit performed in terms of empowerment, compared to non-beneficiaries in the same socioeconomic setting. A regression analysis was used to achieve the result. The result of the empirical study demonstrated that micro-credit has a considerable impact on long term women's empowerment.

Microcredit can help generate revenue by enhancing a household ability to take on risk. In agricultural markets for instance, if there is a riskier but higher yielding contract, the family is more included to participate in it as long as they are aware that credit is accessible to cover consumption and deal with income fluctuations (Khandker 2003). This supports the household capacity for income development. Additionally, Phan, et al (2014) discovered that micro loans from programs may assist rural households in coping with disruptions to agricultural productivity. Micro credit can play a significant role in the formation, change and conversion of all types of social capital because savings and credit in microcredit programs are particularly practiced in small, integrated groups and contribute to the formation of a social Network (Nielsen, 2012). Okpara (2010) conducted a research primarily concerning the identification of the major elements that contribute to poverty in Nigeria, and exploring the extent to which microfinance institutions have assisted in reducing

poverty in Nigeria, modified data on causes of poverty produced by the National Bureau of statistics was used as well as the factor analysis approach in finding the important elements, the approach of regression analysis was employed on a quadratic equation model which is proven to be most appropriate in describing the fluctuations between the two variables in order to investigate the contributions of microfinance organization in poverty reducing. According to the researcher, there are two phases that explains how microfinance has affected poverty in Nigeria. The first stage known as the take off stage, poverty is seen to be growing slowing, as microcredit rises. In the second stage beginning in 2001, a steady growth in microfinance leading significantly lowers Nigerians poverty index. In Nigeria, microfinance financing reduces the level of poverty to a very great extent and improve the well-being of the people.

Abiola (2016) did a research that looked at the impact of cutting edge savings products on low income and self-employed people in Nigerian's banking system on welfare and business enterprise growth. In order to access the study's hypotheses, the study used primary data from a structured questionnaire. The findings indicated that since the launch of creative savings account, savings rate has grown by 160% therefore the study suggests expanding awareness campaigns for cutting edge savings goods. Using multiple regression analysis, Fasoranti (2007) Investigated the impact of rural savings mobilization on the economic development of rural residents the outcome obtained demonstrated a positive connection between investment, asset acquisition, human development and personal income in rural areas. Micro savings allows people and house and also build financial wall that stands as a refuge against unforeseen cost or economic shocks. This makes people more resilient and financially secure. This helps them avoid sliding further into poverty in times of need; this assertion was co-opted by Tafamel, (2019). Supporting microfinance services such as micro savings and training for the poor people living in the rural regions has a significant impact on reducing poverty (Bent 2019).

### **Research Gap**

While there is a sizeable body of work on microfinance and poverty reduction on a worldwide scale, Abia state stands out as having a noteworthy vacuum in the literature. Only a little study has been done to thoroughly evaluate the contribution of microfinance institutions services on financial inclusion and poverty reduction in this part of the country. By offering empirical insight into the effect of microfinance banking services on poverty reduction within the particular socioeconomic environment of Abia State this study seeks to fill this knowledge vacuum.

### **Research Design and analysis**

The research was designed to capture respondents' views from the clients of fourteen licensed Banks in Abia State on the extent to which micro finance banks have contributed in poverty reductions in Nigeria. There are one thousand and eight (1008) licensed Micro-Finance Banks in Nigeria. These banks are categorized into National, State and Unit microfinance banks. A preliminary research survey as date indicates that there are eight (8) licensed National Microfinance Banks; one hundred and fifteen (115) licensed State Microfinance Banks and eight hundred and

eighty-five (885) licensed Unit Microfinance Banks in Nigeria. (Sources: Central Bank Nigeria report 2024).

According to SEMEDAN (2023), there are fourteen (14) licensed Microfinance Banks in Abia State. The population of the Study is Customers of the fourteen licensed microfinance banks in Abia State. The names and locations of these microfinance banks and their brief histories are as shown in Appendix 2 and 2.5 respectfully. Qualitative structured questionnaire were designed and administered to the clients of Microfinance Banks in Abia State with the aim of determining the effects of microfinance bank service on poverty reduction in Abia State.

The questionnaires were structured to address the research questions raised. Regression Analysis using SPSS version 25 software were employed to test the hypotheses as raised. Total questionnaire administered were seven hundred to the willing participants of the fourteen licensed micro-finance banks in Abia State. Out of the total of 700 administered questionnaires, 553 were returned and completely filled. The successful return rate is 79%. This return rate is significant enough for the continuation of the research. The following are the representations of acronyms used in the survey:

SD= STRONGLY DISAGREE; D= DISAGREE; N= NO CHOICE; A=AGREE  
= STRONGLY. AGREE

List 1.On scaling, the following numerical values were assigned:

QUALITATIVE EXPRESSIONS	SD	D	N	A	SA
VALUES	1	2	3	4	5

The basic data utilized in the research was gathered from respondents from fourteen licensed Microfinance Banks in Abia State. Primary data from the licensed microfinance bank in Abia State were collected via questionnaire the questionnaire was selected as the main research tool because they let respondents convey a lot of their opinions on the research topic. A questionnaire with closed-ended questions served as the study’s primary data collection.

There are one thousand and eight (1008) licensed Micro-Finance Banks in Nigeria. These banks are categorized into National, State and Unit microfinance banks. A preliminary research survey as date indicates that there are eight (8) licensed National Microfinance Banks; one hundred and fifteen (115) licensed State Microfinance Banks and eight hundred and eighty-five (885) licensed Unit Microfinance Banks in Nigeria. (Sources: Central Bank of Nigeria 2024).

There are fourteen (14) licensed Microfinance Banks in Abia State. The population of the Study is Customers of the fourteen licensed microfinance banks in Abia State. The names and locations of these microfinance banks and their brief histories are as shown in Appendix 2 and 2.5 respectfully.

The researchers administered questionnaires to fifty Customers from each of the fourteen licensed Microfinance banks, thus a total of seven hundred questionnaires were administered. The sampling technique was based on willingness to participate. The questionnaires were administered on willing respondents on arrival at the hall of the banks on Tuesdays and Wednesdays of the week of data collections. Pearson Correlation and Regression technique were adopted for the data evaluations and hypotheses testing. Descriptive statistics, Tables and percentages were the tools employed by the researchers in data analysis. The decision rule is to reject the null hypothesis if P-Value is less than the chosen level of significance of (0.05) which implies that the estimated variable has significant impact on the dependent variable. The software employed in the analysis is SPSS Version 25 software.

### Data presentation

**Table 1 Responses on impact of Micro loans:**

S/N	Responses on Microcredit	SD 1	D 2	N 3	A 4	AS 5
1	The microfinance Credit I received has positively impacted my financial situation.	47	135	25	145	201
2	The terms and conditions of the microfinance credit were fair and reasonable compared with those of traditional Banks	10	53	6	189	295
3	The microfinance credit has contributed to the growth of my business or income.	56	77	1	199	220
4	Access to microfinance credit has positively impacted my financial stability.	78	90	20	201	164
5	Microfinance credit played a significant role in supporting my entrepreneurial activities.	68	56	42	178	209

**Source: Researchers' Field Survey**

**Table 2: Responses on impact of Micro savings:**

S/N	Micro Savings Responses	SD 1	D 2	N 3	A 4	AS 5
1	The micro savings options available are more suitable for my financial goals.	32	45	36	301	139
2	The accessibility of micro savings services has encouraged me to save regularly.	25	37	23	201	267
3	Micro savings have helped me build a financial safety net worth.	23	33	21	220	256
4	I am satisfied with the interest rates and terms associated with micro savings accounts.	27	37	27	223	239
5	I will continue to use micro savings services in the future	27	36	28	226	236

Source: Researchers' Field Survey 2025

**Table 3: Responses on impact of Micro-bank Transfer Payments:**

S/N	Micro Transfer Payments Responses	SD 1	D 2	N 3	A 4	AS 5
1	Microfinance Banks existence has increased the ease with which transfer payments are carried out.	11	23	31	128	360
2	The use of microfinance banks payment tool (APP) is very easy to use to transfer money receive money.	33	47	25	203	245
3	I feel more confident in managing my finances by making payments from my microfinance bank	32	48	21	206	246
4	The Code for transfer payments of my microfinance bank is easy to remember than that of the traditional banks.	133	160	54	105	101
5	I am satisfied with the accessibility and availability of Internet networks while making payments with Microfinance Bank APP.	46	57	77	123	250

Source: Researchers' Field Survey 202

**RESULTS AND ANALYSIS****Table 4: Effect of Micro Loan on Poverty Reduction**

S/No.	Opinion	Strongly Agree (X5)	Agree (X4)	Neutral (X3)	Disagree (X2)	Strongly Disagree (X1)	Sum	Mean
1.	The microfinance credit I received has positively impacted my financial situation.	1005	580	75	270	47	1977	3.58
2.	The terms and conditions of the microfinance credit were fair and reasonable compared with those of traditional Banks	1475	756	27	106	10	2374	4.29
3.	The microfinance credit has contributed to the growth of my business or income.	1100	796	3	154	56	2053	3.71
4.	Access to microfinance credit has positively impacted my financial stability.	820	804	60	180	78	1942	3.51
5.	Microfinance credit played a significant role in supporting my entrepreneurial activities.	1045	712	126	112	68	2063	3.73

**Source:** Field Survey, 2025

**Table 5: Effect of Micro Savings on Poverty Reduction**

S/No.	Opinion	Strongly Agree (X5)	Agree (X4)	Neutral (X3)	Disagree (X2)	Strongly Disagree (X1)	Sum	Mean
1.	The micro savings options available are more suitable for my financial goals.	695	1204	108	90	32	2129	3.85
2.	The accessibility of micro savings services has encouraged me to save regularly.	1335	804	69	74	25	2307	4.17
3.	Micro savings have helped me build a financial safety net worth.	1280	880	63	66	23	2312	4.18
4.	I am satisfied with the interest rates and terms associated with micro savings accounts.	1195	892	81	74	27	2269	4.10
5.	I will continue to use micro savings services in the future.	1180	904	84	72	27	2267	4.01

**Source:** Field Survey, 2025.

**Table 6: Effect of transfer payment services in Microfinance Banks on Poverty Reduction**

S/No.	Opinion	Strongly Agree (X5)	Agree (X4)	Neutral (X3)	Disagree (X2)	Strongly Disagree (X1)	Sum	Mean
1.	Microfinance Banks existence has increased the ease with which transfer payments are carried out.	1800	512	93	46	11	2462	4.45
2.	The use of microfinance banks payment tool (App) is very easy to use to transfer money/receive money.	1225	812	75	94	33	2239	4.05
3.	I feel more confident in managing my finances by making payments from my microfinance bank.	1230	824	63	96	32	2245	4.06
4.	The Code for transfer payments of my microfinance bank is easy to remember than that of the traditional banks.	505	420	162	320	133	1540	2.78
5.	I am satisfied with the accessibility and availability of Internet networks while making payments with Microfinance bank App.	1250	492	231	114	46	2133	3.86

**Source:** Field Survey, 2025.

### Test of Hypotheses

**Hypothesis 1:** There is no significant relationship between micro savings in microfinance banks and poverty reduction in Nigeria. To affirm Hypothesis one or otherwise, Pearson Correlation and Regression analysis were used. The outcomes of these two appeared as follows;

**Table 7: Correlations of Impact Micro Savings on Poverty Reduction**

		Microfinance Savings on Poverty Reduction	Response Outcomes	Mean Outcomes
Microfinance Savings on Poverty Reduction	Pearson Correlation	1	.506	.289
	Sig. (2-tailed)		.385	.637
	N	5	5	5
Response Outcomes	Pearson Correlation	.506	1	.958*
	Sig. (2-tailed)	.385		.010
	N	5	5	5
Mean Outcomes	Pearson Correlation	.289	.958*	1
	Sig. (2-tailed)	.637	.010	
	N	5	5	5

\*. Correlation is significant at the 0.05 level (2-tailed).

**Table 8: Regression Analysis of Impact Micro Savings on Poverty Reduction**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
	Mean Outcomes > 3.00 (Selected)				R Square Change	F Change	df1	df2	Sig. F Change
1	.506 <sup>a</sup>	.256	.008	1.57512	.256	1.031	1	3	.385

a. Predictors: (Constant), Response Outcomes

b. Unless noted otherwise, statistics are based only on cases for which Mean Outcomes > 3.00.

c. Dependent Variable: Microfinance Savings on Poverty Reduction

Table 7 indicates a positive correlation between micro Savings and impact on Poverty reduction in Nigeria. The result of Table 8 with R<sup>2</sup> of 0.256 and significance F of 0.385 shows that there is no statistical evidence to accept the null hypothesis, therefore, we accept the alternative hypothesis, which states that there is a significant relationship between micro savings in microfinance banks and poverty reduction in Nigeria is hereby affirmed.

**Hypothesis 2:** There is no significant relationship between microcredit and poverty reduction in Nigeria.

The results of correlation and regression analysis used in testing the hypothesis appeared thus;

**Table 9: Correlations Analysis of Impact of Microloan on Poverty reduction in Nigeria**

		Microfinance Credit on Poverty Reduction	Response Outcomes
Pearson Correlation	Microfinance Credit on Poverty Reduction	1.000	-.240
	Response Outcomes	-.240	1.000
Sig. (1-tailed)	Microfinance Credit on Poverty Reduction		.349
	Response Outcomes	.349	
N	Microfinance Credit on Poverty Reduction	5	5
	Response Outcomes	5	5

a. Selecting only cases for which Mean Outcomes > 3.00

**Table 4.10: Regression Analysis of Impact of Microloan on Poverty**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
	Mean Outcomes > 3.00 (Selected)				R Square Change	F Change	df1	df2	Sig. F Change
1	.240 <sup>a</sup>	.058	-.256	1.77226	.058	.184	1	3	.697

a. Predictors: (Constant), Response Outcomes

b. Unless noted otherwise, statistics are based only on cases for which Mean Outcomes > 3.00.

c. Dependent Variable: Microfinance Credit on Poverty Reduction

The results as shown in 4.9 depicts that impact of Microcredit on Poverty Reduction is positively correlated while Regression analysis captured on Table 10 with R<sup>2</sup> at 0.058 and F change of 0.184 indicate a significant relationship between microcredit and poverty reduction in Nigeria. The significance outcome of 0.697 indicates that there is a significant relationship between microcredit and poverty reduction in Nigeria, thus the null hypothesis is hereby rejected.

**Hypothesis 3:** There is no significant relationship between transfer payment services in microfinance banks and poverty reduction in Nigeria. The alternate hypothesis states that there is a significant relationship between transfer payments of Microfinance Banks and Poverty Reduction in Nigeria. To affirm the null hypothesis or otherwise, Pearson Correlation and Regression Analysis were employed as statistical instrument to test the hypothesis. The results appeared thus;

**Table 11 Correlation between transfer payment services and Poverty reductions in Nigeria**

		Transfer Payments Impacts	Response Outcomes	Means
Transfer Payments Impacts	Pearson Correlation	1	-.617	-.615
	Sig. (2-tailed)		.267	.270
	N	5	5	5
Response Outcomes	Pearson Correlation	-.617	1	1.000**
	Sig. (2-tailed)	.267		.000
	N	5	5	5
Means	Pearson Correlation	-.615	1.000**	1
	Sig. (2-tailed)	.270	.000	
	N	5	5	5

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 12: Regression Analysis of impact of transfer payments by Microfinance Banks on Poverty reduction in Nigeria**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
	Means > 3.00 (Selected)				R Square Change	F Change	df1	df2	Sig. F Change
1	.886 <sup>a</sup>	.786	.679	.96796	.786	7.339	1	2	.114

a. Predictors: (Constant), Response Outcomes

Table 11 shows a direct relationship between impact of Transfer Payment Services and Poverty reduction in Nigeria. Regression Table 12 shows a significant result of 0.114 which is greater than 0.05 affirming the assertion that states that there is a significant relationship between transfer payments services in microfinance banks and poverty reductions in Nigeria. Therefore, we accept the alternative hypothesis, which states that there is a significant relationship between transfer payment services in microfinance banks and poverty reduction in Nigeria

## **DISCUSSION OF FINDINGS**

### **Effect of Micro Loan on Poverty Reduction**

As seen in Table.6 respondents were asked to rate their degree of agreement on the effect of micro credit on poverty reduction. The decision-making benchmark was the average of a five-point rating system (3.00). The opinion was considered to be in agreement if the mean value was  $\geq 3.00$ . On the other hand, the opinion was considered to be unpopular if the mean value was less than 3.00. According to the answers, all the indicators of micro credit were above 3.00. The terms and conditions of the microfinance credit were fair and reasonable compared with those of traditional Banks with a mean of 4.29 exerted the greatest effect on poverty reduction. However, access to microfinance credit has positively impacted my financial stability with a mean of 3.51 had the lowest effect on poverty reduction. Thus, micro credit had an effective impact on poverty reduction in Abia State. This was premised on the fact that its entire indicator were above 3.00. Table 11 indicates a positive correlation between micro Savings and impact on Poverty reduction in Nigeria. The result of Table 12 with  $R^2$  of 0.256 and significance F of 0.385 shows that there is no statistical evidence to accept the null hypothesis, but to accept the alternative hypothesis, which states that there is a significant relationship between micro savings in microfinance banks and poverty reduction in Nigeria.

### **Effect of microcredit on Poverty Reduction in Nigeria**

The result as captured in Table 7 showed that micro savings have helped; build a financial safety net worth had the highest mean score of 4.18 while the micro savings options available are more suitable for my financial goals had the lowest mean score. Also, the result revealed that the accessibility of micro savings services has encouraged me to save regularly, Respondents are satisfied with the interest rates and terms associated with micro savings accounts and they affirm their continued use of micro savings services in the future had an effective impact on poverty reduction. Thus, micro savings had an effective impact on poverty reduction in Abia State. This was based on the fact that their entire indicators were above the average of a five-point rating system. Table 11 indicates a positive correlation between micro Savings and impact on Poverty reduction in Nigeria. The result of Table 12 with  $R^2$  of 0.256 and significance F of 0.385 shows that there is no statistical evidence to accept the null hypothesis, therefore, we accept the alternative hypothesis, which states that there is a significant relationship between micro savings in microfinance banks and poverty reduction in Nigeria is hereby affirmed.

### **Effect of transfer payment services by microfinance banks on Poverty Reduction in Nigeria**

Table 10 depicts the major factors of transfer payment services in microfinance banks that boost poverty reduction. The variable microfinance banks existence has increased the ease with which transfer payments are carried out has a mean score of 4.45, While confidence in managing finances by making payments from microfinance bank had a mean score of 4.06, The use of microfinance banks payment tool (App) at very easy to use to transfer money/receive money with a mean score

of 4.05 and satisfaction with the accessibility and availability of Internet networks while making payments with microfinance bank App with a mean score of 3.86. However, the respondents acknowledged that the code for transfer payments of my microfinance bank was ineffective in reducing poverty in Abia State. The fact that this factor of transfer payment services in microfinance banks construct was ranked below the mean score of 3.00 served as more evidence of this.

### **General Conclusion of Results in Relation to Literature Review:**

Microfinance Loans received by respondents indeed impacted positively on many Small and Medium Enterprises (SMEs). This is one of the anchors of Microfinance Banks towards Poverty reduction in the Society. Access to microfinance Loans by SMEs through traditional banks experiences many bottlenecks. Respondents with a mean value of 3.58 shows that there is positive impact of microloans on their financial wellbeing is in tandem with Kasali (2020) assertion that expanding access to financial services has a favorable effect on generating investment, jobs and societal revenue which thereto reduces poverty among the Society mainly in rural areas. The terms and conditions of the microfinance credit were fair and reasonable compared with those of traditional Banks with a mean of 4.29 exerted the greatest effect on poverty reduction in Nigeria. The outcomes of Regression analysis affirm the assertion.

The combined effects of Tables 11 and 12 do show that there is a significant relationship between micro savings in microfinance banks and poverty reduction in Nigeria. Pearson Correlation analysis result shows direct relationships between impacts of micro savings on poverty reductions in Nigeria. The Regression analysis outcome affirms the assertion.

With regard to terms and conditions of the microfinance loans granted to respondents compared to the ones from traditional banks, the mean locus is higher at 4.28 which anchor on a very high level of significance in the affairs of poverty reduction. Relax conditions of micro loans correlates to greater applications and quest for such loans for business and revenue generations in rural areas and among SMEs.

The outcome of the research does show that micro savings is being encouraged by Microfinance banks to a great extent. It also shows the high desires of the respondents to keep using such banks in future to save. Savings are prelude to investments and investments generates more wealth, thereby reducing poverty in rural areas and within Small and Medium Enterprises. The hypothesis testing using outcomes of tables 11 and 12 leads us to accept that there is a significant relationship between microcredit and poverty reduction in Nigeria.

One of the core functions of banking industry is transfer payments. Microfinance banks are not left out of this core functions. The research respondents assert that the existence of microfinance banks has increased the ease with which transfer payments are carried out by them and among their business circles. This assertion alone secured a mean of 4.45. Other aspects of transfer payments function of microfinance banks secured high mean scores save that Customers of microfinance

banks are clamoring for special transfer Codes that is easy to remember compared with the ones with traditional banks. Using tables 11, 12 results, however, there is no statistical evidence to accept the null hypothesis, therefore, we accept the alternative hypothesis which states that there is a significant relationship between transfer payment services in microfinance banks and poverty reduction in Nigeria.

### **Summary of Findings**

1. Microfinance Banking Services impacts significantly on Poverty reduction in Nigeria
2. Micro savings in rural areas and by Small and Medium Enterprises impacts significantly on poverty reduction in Nigeria.
4. There is a significant relationship between access to microloans from microfinance banks and poverty reduction in Nigeria.
5. Transfer payments by Microfinance Banks has a significant rural spread and we affirm that there a significant relationship between transfer payments by Microfinance banks and poverty reduction in Nigeria.

### **CONCLUSIONS**

They researchers conclude from response analyses that micro finance banks plays a major role in poverty reduction in Nigeria using various microfinance banks service models. However there is need for minor improvements in some aspects of their expected service models. The research outcome as captured in table 12 shows that there is a positive relationship between quality of Microfinance Banks Services and Poverty reduction in Nigeria. Specifically there is a significant relationship between the level of micro credits provided by Microfinance Banks and poverty reduction in Nigeria. Micro savings in microfinance banks and poverty reduction in Nigeria also showed a very high significant correlation.

On hypothesis (Ho3) which states that there is no significant relationship between transfer payment services in microfinance banks and poverty reduction in Nigeria, outcomes debunks the hypothesis which states that there is no significant relationship between transfer payment services in microfinance banks and poverty reduction in Nigeria, thus we correctly affirm that there a significant relationships between transfer payments in Microfinance banks and poverty reduction in Nigeria.

### **Recommendations**

It is recommended that:

1. To make transfer payments easier for microfinance banks customers, special codes that are easy to remember should be introduced by Microfinance banks.
2. It is recommended for further studies on Microfinance banks should center on types of collaterals demanded by Microfinance banks for loans that are sustainable to the banks and affordable by the Customers.

3. We recommend a strategic policy effort to encourage the multiplication of licensed Microfinance Banks in the Country and spread of the existing licensed Microfinance Banks.

### **Contribution to Knowledge**

The research adds to the body of knowledge and serves as a foundation for more focused and successful interventions aimed at implementing long term strategies for reducing poverty in Nigeria. This study will contribute to policy makers, especially Governments as it will provide the necessary policies that encourage microloan, savings, capacity building, financial inclusion, transfer payment and micro financing to SMEs generally, thereby reducing poverty within Nigeria.

### **Suggestion for further studies**

It is recommended that further research be carried out on Microfinance Banks' Capacity Building and inclusiveness for rural areas and physically challenged customers so that their functions of poverty reduction will be widely spread and felt deeply in the Country.

### **Disclaimer (Artificial intelligence)**

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

## **REFERENCES**

- Abiola, A. B. (2016), Micro savings mobilization innovations and poverty alleviation in Nigeria savings and Development, *Mediterranean Journal of Social Sciences*, 40(1), 1-28.
- Abdikhaiq D. A., Salim C., Al- Imran, Siddiqur R (2022). The Role of Micro-credit and Micro Savings for Raising Microfinance Sustainability in Somali .Bangladesh Journal of Multidisciplinary Scientific Research (P-ISSN: 2687-850X; E-ISSN: 2687-8518); Publisher: Centre for Research on Islamic Banking & Finance and Business. Vol. 10 No. 5. DOI: <https://doi.org/10.46281/c27b3q22>
- Abubakar, A., Musa, T. B., Lawal, M. K., & Idris, I. T. (2026). Impact of Micro-Credit And Micro-Savings On Wealth Creation Among Microfinance Bank Customers in Dutse . Jigawa State. *Kashere Journal Of Management Sciences*, 9(1). Retrieved From <https://journals.fukashere.edu.ng/index.php/kjms/article/view/1184>
- Adefiranye, & Jenkwe. (2024). Impact of Cooperative Financing on Survivability and Sustainability of Small and Medium Enterprises (SMEs) in the Federal Capital Territory (FCT), Nigeria. *Global Journal of Research in Business Management*, 4(3), 20-32. doi:<https://doi.org/10.5281/zenodo.1261090>
- Adelekan, S.A., Eze, B.U. & Majekodunmi, S.A. (2019), Bank Loan and SMEs performance in Lagos, Nigeria, *Ilorin Journal of Human Resource Management*, 3(1), 1-15.

- Ajakaiye D. O. and Adeyeye. V. A. (2001), Concepts, Measurement and Causes of Poverty” , Central Bank of Nigeria Economic & Financial Review, Vol. 39 NO. 4.
- Akhter, J, & Cheng, K. (2020), Sustainable empowerment initiatives among rural women through micro credit borrowing in Bangladesh. *Sustainability* , 12(6), 2275.
- Alhassan, E. A & Hoedoafia, M.A (2016), The Effect of micro credit on profitability and challenges of women owned SMEs, *Journal of Entrepreneurship and Business Innovation* 3(1), 29-47.
- Amsi, F. Ngare, P. Imo, P. & Grachie, M. (2017), Effect of microfinance credit on SMEs financial performances in Kenya, *Journal of Emerging in Economic and Management Services* 8(1):48-61.
- Arogundade, B.B. (2011), Entrepreneurship Education: An Imperative for Sustainable Development in Nigeria, *Journal of Emerging Trends in Educational Research and Policy Studies (JETERAPS)*, 2, 26-27.
- Bent, B. B. (2019), The impact of microfinance on poverty reduction and women empowerment”, *In Rias collective volume economic science*, 72-86. Scientiamalitas Research institute.
- Bragg Steve M (2010), *Treasury Management: The Practitioner’s Guide*, John Wiley & Sons, Inc. All rights reserved. Published by John Wiley & Sons, Inc., Hoboken, New Jersey.
- Central bank of Nigeria (2024), *An assessment of Microfinance Bank and Institutions in Nigeria*, Printing press. Abuja government.
- Chikwira C.; Vengesai E. & Mandude P, (2022), The Impact of Microfinance Institutions on Poverty Alleviation, *JRFM, MDPI*, vol. 15(9), pages 1-13, September.
- Christopher, Williams; Adurayemi, Adu & Morenike, Onabajo. (2025), Microfinance Banks Credit and Entrepreneurial Performance in Ado-Odo Ota Local Government Area, *OgunState, International Journal of Management Analytics (IJMA)*. 3. 183-190. 10.59890/ijma.v3i3.139.
- Duçi E., Tabaku E., Lazaj A., and Dervishi E., (2025). The Impact of Microfinance on Small Business Growth and Income Stability: Challenges and Opportunities. *Interdisciplinary Journal of Research and Development*. 12. 25. 10.56345/ijrdv12n104.
- Efin A (2020), “Fintech landscape and impact assessment study report”, Retrieved from: <https://www.fintech-landscape-and-impact-assessment-report.com/>.
- Egger D., Haushofer J., Miguel E., Niehaus P., Walker M.(2022) General equilibrium effects of cash transfers: Experimental evidence from Kenya. *Econometrica*, 90 (6) (2022), pp. 2603-2643
- Ezeanyej, C. 1, Usifoh, K.S., Obi, C.O., & Ejefobihi, U.F (2020), Micro financing, poverty alleviation and Nigeria’s economic growth. *European Journal of economic and financial research*, 4 (1).
- Fasoranti Mary (2007), The influence of rural savings mobilization on Economic Development of the rural areas: A study of Akoko Region in Ondo state in Nigeria. *M Fasoranti - International Business Management* 1 (2), 20-23.

- Huibo P, Lili Y, Chenhe Z, Yuchi Zh and Yuying G (2024), Research on Financial Poverty Alleviation Aid for Increasing the Incomes of Low-Income Chinese Farmers. *Sustainability* **2024**, *16*(3), 1057; <https://doi.org/10.3390/su16031057>
- Kamaldeen N (2025), "Impact of Microloans on Small Business Growth in Rural Areas of North-East Nigeria" *Wukari International Studies Journal*, Vol 9 (2), June,2025 – ISSN: 2756-4649
- Khan, A. A., Khan, S.U., Fahad, S., Ahi, M.A., Khan, A., & Waj. (2021), "Microfinance and poverty reduction: New evidence from Pakistan", *International Journal of finance & Economics*, *26* (8), 4723-4733.
- Khandker, S. R. (2003), "Microfinance and Poverty: Evidence Using Panel Data from Bangladesh", *The World Bank Economic Review* *19*: 263–86.
- Kasali, T. A. (2020), "Influence of microfinance intervention on rural poverty alleviation in South-west Nigeria: An Application of Propensity Score Matching Technique", *Asian Journal of Economics and Finance* *2*: 411–22.
- Kaseva Joyce (2014), "Effect of Microfinance on Poverty Reduction in Tanzania: A Case Study of the African Microfinance Limited" December 2014 *Tanzanian Economic Review* *4*(1-2) DOI: 10.56279/ter.v4i1-2.12.
- Manzor, F., Wei, L., Nurunnabi, M., & Abdul S. Q. (2019), Role of SME in poverty alleviation in SAARC Region via panel data analysis. *Sustainability*, *11*(220), 6480.
- Martinez, I., Itulme, D., Rutherford, S. (2002), Finance for the poor: from micro credit to micro financial services. *Journal of international development and change*, *32* (3), 435-414.
- Madugba, J., Egbide, B. C., Jossy, D. W., Agburuga, U. T., & Chibunna, O. O. (2021), "Effect of electronic banking on financial performance of deposit money banks in Nigeria". *Banks and Bank Systems*, *16*(3), 71-83.
- Morse S. (2025). Having faith in the sustainable livelihood approach: a review. *Sustainability* *17*:539. doi: 10.3390/su17020539
- National bureau of statistics report (2022). National Deposit Insurance Corporation (NDIC) (2022) Annual Report. <https://ndic.gov.ng/wp-content/uploads/2024/08/2022-Annual-Report.pdf>.
- Nzenwa, C. C, Nwulu, D. S. Okereke, E. J. (2023). Cashless Policy Channels and Performance of Banks in Nigeria. *Academic Journal of Digital Economics and Stability*, [S. I.], v. 31, p. 45–62, 2023. DOI: 10.51699/ajdes.v31i.760.
- Okpara, G.C. (2010). Microfinance bank and poverty alleviation in Nigeria. *Journal of Sustainable Development Abia*, *12* (6), 177-191.
- Oleka, C.O., Maduggwu, E.N., & Igwenagu, C.M. (2014). Analysis of the impact of microfinance banks on the performance of small and medium scale enterprises in Nigeria. *Ijsar Journal of Management and Social Sciences*, *1* (2): 45-63.
- Onyele K. O; Ikwuagwu E. B., and Onyele C O (2020), Macroeconomic Policies and Stock Market Liquidity: Evidence from Nigeria". *Economy*, *7*(1): 25- 35.
- Pham Duong Phuong Thao, Huynh Thi Cam Ha. (2020). The Impact of Trade Credit Investment on Manufacturing Firms' Profitability: Evidence from Vietnam". *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, *68*(4): 775–796.

Roadwan, I. (2012). The Potentials of Public-Private Partnerships in Microfinance Delivery, A paper presented at International Microfinance Conference Abuja, Nigeria on January 2008.

Robinson, Marguerite S. (2001). The Microfinance Revolution: Sustainable Finance for the Poor. World Bank. <http://hdl.handle.net/10986/28956> License.

SMEDAN (2023) Survey report on micro, small and medium enterprises (SMEs) in Nigeria.

Tafamel, E.A. (2019). Analysis of the effect of microfinance institutions on poverty reduction in Nigeria. *Academic journal of economics studies*, 5 (2), 114-119.

Takaruva, F. (2016). The impact of Microfinance Institutions in alleviating poverty in Zimbabwe. A case study of JHM Microfinance. Doctoral dissertation, BUSE, Bindura, Zimbabwe.

Wasike P. W.; Namusonge G. S. & Karamunya E. N. M T.(2023). Project Monitoring and Evaluation on Road Construction Projects Performance in Kenya” *European Journal of Business and Management* [www.iiste.org](http://www.iiste.org) ISSN 2222-1905 (Paper) ISSN2222-2839 (Online) Vol.15, No.18, 2023.

National Deposit Insurance Corporation (NDIC) (2022), “Annual Report” <https://ndic.gov.ng/wp-content/uploads/2024/08/2022-Annual-Report.pdf>.

World Bank development report (2022), “Finance for an equate recovery”.

## Appendix

### Names and Locations of Microfinance Banks in Abia State

S/NO	NAME OF MICROFINANCE BANK	ADDRESS	CATEGORY
1	Abia State University Microfinance Bank Ltd	Uturu, Isukwuato, Abia State	State MFB
2	Bundi Microfinance Bank	157, Cameroun Road Aba, Abia State	Unit MFB
3	Chibueze Microfinance Bank	CKC 82 Ehi Road, Aba Abia State	Unit MFB
4	East Gate Microfinance Bank	135 Aba Owerri Road Aba, Abia State	Unit MFB
5	Merchant Microfinance Bank	163 Jubilee Road Aba, Abia State	Unit MFB
6	Michael Okpara University Microfinance Bank	Michael Okpara University of Agriculture Umudike, KM 7 Umuahia/IkotIkpen Rd	Unit MFB
7	Michael Okpara University of Agric Staff Cooperative Society Ltd Microfinance Bank	Michael Okpara University of Agriculture Umudike, KM 7 Umuahia/IkotIkpen Rd	Unit MFB

8	Nkpa Microfinance Bank	AmaohoroNkpaBende L.G.A	Unit MFB
9	Ohafia Microfinance Bank	122 Arochukwu Road Ohafia	Unit MFB
10	Statesman Microfinance Bank	37 Market Road Aba, Abia State.	Unit MFB
11	Abia SME (Formerly Swift) Microfinance Bank	96, Asa Road, Aba, Abia State	Unit MFB
12	Umuchukwu Microfinance Bank	6 Bende Road Umuahia	Unit MFB
13	Uvuoma Microfinance Bank	4 Holy Ghost Road UmuahiaAbia State	Unit MFB
14	Mayfair Microfinance Bank	122Aba Owerri Road Aba, Abia State	Unit MFB

Source: Central Bank of Nigeria. [www.cbn.gov.ng](http://www.cbn.gov.ng)