An Assessment of Peoples' Perception Towards Microfinance Banks (MFBs) Loans Delivery in Yobe State, Nigeria

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Abstract

This study will assess the peoples' perceptions on microfinance loans delivery in Yobe state, Nigeria with a view of improving the life quality, living conditions and government effectiveness on microfinance development. The study used multi-stage random sampling techniques to selects 300 respondents from the three (3) senatorial zones of Yobe state where 100 respondents per senatorial zone per local government area.. The Local Government areas selected are: **Damaturu** (Zone A), **Potiskum** (Zone B) and **Jakusko** (Zone C). A descriptive statistics for socio-economic characteristics of the respondents and the binomial logistic regression (logit) model was employed to analyse the extent and the determinants of peoples' perception on microfinance banks loans delivery in the study area from the 296 retrieved quetionnaires. The study revealed that household size, Monthly Income, Loan repayment terms and Socio-cultural factors **(0.0217, 3.7777, 0.2263 and 0.3153)** respectively are directly significant with peoples' perception on microfinance banks loan delivery and the Age of the household head, Marital, Loan Processing Period, Loan approval time, Loan interest rate, Proximity of Banks branches **(-0.0038, -0.0993, -0.0665, -0.0759, -0.2177 and -0.0006)** respectively are inversely significant with the dependent variable. The research therefore recommends that the government should provide a holistic and comprehensive approach toward establishment of more microfinance bank in Yobe state in particular and Nigeria by extension and also the government at all levels should provide wide awareness and campaign on the importance of Microfinance Banks and among others.

Keywords: *Peoples' Perception, Microfinance Banks, Loans delivery, Yobe state.*

1. Introduction

Microfinance all over world is to provide financial services, credit and savings to poor people, especially to rural communities with no access to commercial bank services. Microfinance has evolved due to competition and it is therefore important for any microfinance institution (MFI) to evolve products and improve upon quality of services given to customers. The customer service which is basically almost everything they do for a customer to improves customer's experience while satisfaction of a customer is their overall feeling of contentment after a customer communication (Harris, 2007). It is highly imperative to identify customers' perceptions of the kind of products and customer services offered to them by this financial institution and also elicit information from their point of view. According to Kendall (2003),''Perception is the process of selecting, organizing and interpreting sensations into meaningful to customer satisfaction''. The satisfaction of customer is influenced by the customers' perceptions and expectations of the quality of the products and services. Customer perception provides some useful insights to enable these banks to develop their marketing strategies. The microfinance industry is now slowly becoming more and more "market oriented" and it seems that customer satisfaction is one of thrust areas for a business to achieve sustainable growth for development.

Globally, poverty is an obstacle to achieve sustainable growth and development. Despite various development drives, poverty remains a worldwide problem. It is based on this principle that poor people can initiate their own way out of poverty, with their starting capital to do so. Microfinance institutions (MFIs) provide micro and small loans to poor who are not eligible to acquire loans from the conventional banks, because they do not have collateral to do so. Microfinance banks particularly target poor with special reference to women; that's why most of their clients are female.

This study focuses extensively on Damaturu, Jakusko and Potiskum local Government areas of Yobe state capturing the three senatorial zones. The relative deprivation of Yobe state in the context of human development to the national average makes it of great to measure the quality of microfinance with a view to unravel the true picture of the development pattern at the local government levels in order to determine the appropriate policy direction to be taken.

The study objectives are:

❖ To assess peoples' perception towards Microfinance Banks (MFBs) loans delivery in Yobe state.

❖ To know the determinants that are of Microfinance Banks loans delivery in Yobe state.

The study will be of immense significance to policy makers at the community and local government level in design and execution of the appropriate policies that affects the people in positive ways. Furthermore, the findings of this study will help the federal, state and local governments to identify and partner in the provision of essential services to over growing population.

This study will leverage on bridging the gap in empirical literatures by exploring measures on welfares and human development approaches.

Many studies have discussed on microfinance and microfinance bank concepts and importance

in Nigeria and elsewhere and few of such studies are known about Yobe state and its local government areas. The few studies on microfinance and microfinance banks in Nigeria, most of them case studied state capitals and not considering the local government headquarters. Rural population with inadequate access to government facilities and services, insecurity, poor infrastructures, social and political exclusion. Whether measured in terms of access to social services or income. A wide gap is present between the rural and urban areas. The aim of this paper is to bridge this gap by identifying by going down memory length the level to capture the down trough and equally to find the determinants that influence Peoples' Perception towards Microfinance Banks loans delivery in Yobe state, Nigeria.

2. Literature Review

Review of Empirical Literatures

Friday (2018) in his study "Impact of Microfinance on Small and Medium-Sized Enterprises in Nigeria" were is assess the impact of Microfinance on Small and Medium Enterprises (SMEs) in Nigeria. He used a simple random sampling technique in selecting 100 SMEs which constituted the sample size of the research. He also used a structured questionnaire for the study data collection. A descriptive statistics which involves simple percentage, graphical charts and illustrations was tactically applied in data presentations and analysis. The findings of the study reveal that significant number of the SMEs benefitted from the loans and majority of the SMEs acknowledge positive contributions of MFIs loans towards promoting their market share, product innovation achieving market excellence and the overall economic company competitive advantage. Other than tax incentives and financial supports.

Ahiabor (2013) in research "The Impact of Microfinance on the Development of Small Scale Enterprises in the Ledzorkuku-Krowor Municipality in the Greater Accra Region of Ghana" His study assess the impact of Microfinance on Small and Medium Enterprises (SMEs) in Ghana, using a case study of the Ledzorkuku-Krowor Municipal Assembly. Were a simple random sampling technique was employed in selecting seventy (70) SMEs and thirty (30) MFIs that constituted the sample size of the research. Furthemore the study used a structured questionnaire for data collection. A descriptive statistics was applied in data presentations and analysis. The findings of the study reveal that a significant number of the SMEs has the knowledge of the existence of MFIs with their loans and other than financial supports.

According to Kaur and Gabremarium (2020) in their study "Women's Perception towards Services Provided by Microfinance Institutions and Challenges Faced by them". Their study main objective is how MFIs would supply financial services to the poor. However, the Ethiopian microfinance institutions are faced with many problems. Some of these are low outreach, lack of research to understand client needs, limited funding alternatives, limited financial products, and weak internal control system. Also cited was the Debit Credit and Saving Institution (DECSI) which is one of the major microfinance institutions operating in Tigray region, which provides financial service to the poor people in urban and rural areas. They attempt to study the overall perception of women SHG members in Ethiopia towards MFIs services provided and to analyse the major challenges being faced by them, while accessing loan(s).

Wanjiku (2010) in his study "Impact of microfinance services on financial performance of small and micro enterprises in Kenya" His purpose of the study was to establish the impact of microfinance services on financial performance of SMEs in Kenya. He used survey method and the study population consisted of all SMEs in Nairobi. The study adopted systematic random sampling method with an interval of fifty (50) SMEs. The sample size was forty-seven (47) SMEs. The study employed primary and secondary data. The study revealed that all SMEs utilized investment capital for the purpose in which they were borrowed. The study concludes that SMEs got savings services, credit services and training services from SMEs. The study finally concludes that ROA increased with each consecutive loan showing that microfinance services enhance financial performance of SMEs in Kenya.

Nichols (2004) in his study "A Case Study Analysis of the Impacts of Microfinance upon the Lives of the Poor in Rural China" Were the study used a case study investigate the impacts of microfinance upon the lives of the rural poor in China. Field survey was used in a poor central-Chinese village in which a microcredit program has been operating for seven (7) good years. Nicholas study revealed that participation in the program had led to several positive impacts in the lives of borrowers, were rural dwellers shows a sense of confidence in themselves and ability to manage their own economic affairs. The village-based incomes of regular borrowers were found to have increased more than three (3) times faster than those of non-borrowers. In disagreement with common findings and perceptions, the research further revealed that poorer borrowers whose incomes were rising the fastest, while those of better off borrowers were increasing the slowest in relative terms. Rural-wide impacts, both economic and

social, were also single out in the study. These included a reduction in the phenomenon of villagers leaving the village to find outside work, leading to a reduced burden on the women who would otherwise be left behind and enhanced opportunities for social interaction within the family and village.

Mugabi (2010) in his research "Micro-credit utilization and its impact on household income: A comparative study of rural and urban areas in Iganga district" The study critically look at micro-credit utilization and its impact on the household income in Nakigo sub- County and Iganga town council in Iganga District of Uganda. Furthermore the study explored perceptions and attitudes towards using micro-loans, the gender relations in using micro-loans, borrowers" operational and organizational capacity to use credit facilities and outcomes of credit usage on the wellbeing of the household. A cross-sectional research design was adopted, data was collected from more than one respondent in both Nakigo sub-county and Iganga town council in Iganga district in Eastern Uganda at a single point in time. The study findings revealed that majority of the borrowers both in Nakigo sub-county and Iganga town council get micro and small loans from microfinance as opposed to Money Deposit Banks (MDBs) that require conventional collateral security which most poor would not afford. Social support in form of group solidarity is the main collateral security which low income earners in Iganga present to MFIs in order to get a loan. Findings revealed that relatively micro-loan usage improves on the welfare of poor people and that of the household members in general, amidst other several poverty reduction strategies.

Roy (2014) in his study on the Perception of Microfinance among Rural People of Kamrup

District of Assam University of Science and Technology, Meghalaya, India Academics view microfinance as a paradigm shift and ray of hope for poor. Were he critically dwelled extensively on how the rural poor benefited most from the micro and small scale loans giving to them by the microfinance institutions in Assam district.

Gilal (2011) Ascertain that Microfinance institutions are able to make significantly positive impact and contributions to the reduction of poverty level of their customers. The purpose of Gilal study is to find out perception of rural people about microfinance. It also finds out to what extend microfinance plays significant role in their life. The study also covers the perception of females which is extremely contrary to males in terms of "in what ways microfinance helps them". The study adopted quantitative technique and data for the study were collected through the use of survey of microfinance existing and potential customers in Kamrup rural district of Assam.

Ing (2017) in his research look in the successes and Limitations of Microfinance in Addressing Financial Exclusion in South East Queensland, Australia, The contributions and limitations of microfinance in solving the financial exclusion of populace on low incomes in Australia was studied. Were conceptual model situated people's ability to achieve financial inclusion from a consideration of the opportunities and barriers people encountered in their lives. The qualitative study explored the perceptions of recipients and workers of the contributions and limitations of two microfinance models in Australia. These two microfinance models are the "spend- first" model as in the No Interest Loan Scheme (NILS) program and the "save-first" model as in Adds UP and Saver Plus matched savings programs. The research data was collected using semi- structured interviews

with microfinance recipients and program workers, using a purposive voluntary sampling method. A total of 37 people participated in semi-structured interviews, 17 from the "spend-first" model, nine recipients from the "save-first" model, and 11 microfinance workers. Out of the 26 recipients, 17 were from a culturally and linguistically diverse (CALD) background and eleven (11) of this group were from a refugee background. The data was analysed thematically. In which the two microfinance models made different contributions to people's ability to achieve financial inclusion. Recipients valued the "spend-first" model (NILS) as non-exploitive credit and as a "savings in reverse". The use of these loans was an alternative to using costlier forms of credit to meet immediate needs and to achieve functioning. The "save-first" model provided a one-off matched fund of up to $500 upon completion of the savings period. Both the matched savings programs emphasised developing a savings habit as the key to improving people's financial capability. The opportunity for interaction during Saver Plus's financial education classes contributed to recipients' social wellbeing by fostering a sense of community, enhancing recipients' social networks, and enabling sharing of financial ideas and information among recipients.

The original conceptual framework was revised to contextualise the potential enhancers or inhibitors of the opportunities and barriers recipients encountered in their lives by examining their goals and values, individual abilities and their external environment. The revised model integrated these opportunities and barriers with an external freedom in the form of a microfinance program, the key concepts in the Capability Approach, and people's ability to achieve financial inclusion from the recipients' and workers' perspectives. Recipients considered their capacity to achieve financial

inclusion as being influenced by their individual abilities, goals and values and the external environment. Recipients clearly thought that they were managing their finance well as they could make ends meet on a limited income, despite having multiple demands, and having difficulty in increasing their incomes. The majority of the matched savings recipients were savers prior to the commencement of the savings programs and it was unclear if their savings behaviour during the program was due to these prior habits or the result of the programs. Furthermore, the lack of understanding of microfinance workers of the opportunities and barriers people encountered in their lives, as well as the imposition of eligibility criteria, limited the contributions of microfinance. Together, these findings provided evidence and contributed to knowledge and theory to better inform relevant stakeholders in employing microfinance optimally as a development tool, suggesting the need to consider people's functioning, capability, freedom and agency, in addressing the financial exclusion of people on low incomes.

3. Research Methodology

3.1 Background of the study Area

The research area is Yobe State which is located in the Northeastern corner of Nigeria with Coordinates of 12°00′N 11°30′E. It was carved out from old Borno State on August 27, 1991.The state capital is Damaturu and its Nicknamed as *the Pride of the Sahel*. With Total land Area of 45,502 km2 (17,568 sq mi) with an estimates population of 2,321,591(census, 2006). Yobe state borders the Nigerian states of Bauchi, Borno, Gombe, and Jigawa. It's also borders with Diffa and the Zinder Regions of the Republic of Niger to the north. The state lies mainly in the dry savannah belt, which is hot and dry for most of the year, except in the southern part of the state which has a milder climate.

The State has of seventeen (17) Local Government Areas of viz: Bursari, Damaturu, Geidam, Bade, Gujba, Gulani, Fika, Fune, Jakusko, Karasuwa, Machina, Nangere, Nguru, Potiskum, Tarmuwa, Yunusari, and Yusufari. Yobe state has a very rich fishing grounds and mineral deposits of gypsum in Fune LGA, kaolin, and quartz. The state is also said to have one of the largest cattle markets in West Africa located in Potiskum. The major ethnic group living in Yobe State is Kanuri, while other ethnic communities include Bolewa, Ngizim, Karai-Karai, Badawa, Hausa, Ngamo and Shuwa, Fulani, Bura and Maga.

3.2 Data Sources and Collection Method

The primary data was the major source of information about the study. The data was obtained by a well-structured questionnaires administered to the household's head were personal observations was assessed.

3.3 Sampling Techniques and Sample Size

The study employ multi-stage random sampling techniques at three (3) stages to selects 300 respondents from the study area. Firstly, the division by senatorial zones. Secondly, selection of one local government area from each of the three senatorial zones. Indicates as: ***Damaturu (Zone A), Potiskum (Zone B) and Jakusko (Zone C)*** of Yobe state. (100 respondents per local government areas.

3.4 Model Specification

The study employed binary logistic regression model of analysis rooted in Christiaensen and Subbarao (2004), Kabuga and Adamu (2015), Adekoyas (2014), and Sani et al (2022) with

little adjustments, which informed the initial relationship between a binary outcomes variable and also a group of predictors' variables. There on the probability of being satisfied is specified as the value of the cumulative distribution function Z which is specified as a function of the explanatory variables.

The equation for this type of modeling is:

Prob (**perceived the performance of microfinance bank loan delivery to satisfied**

$=1) = F (Z) = e^{z/(1+e^z)} = F (\beta_0 + \beta_1 X)$
…………………………........................ (1)

Where:

$F (Z) = e^{z/(1+e^z)}$ is the cumulative logistic distribution, representing the probability of being **not satisfied the performance of microfinance bank loan delivery**. Z is the satisfaction line; β is the vector of parameters and X is the vector of explanatory variables, this include Age, Marital status, House ownership, Monthly Income / Expenditure, Loan application process, Loan approval time, Loan interest rate, Loan repayment terms, The proximity of banks branches or outlets and Cultural beliefs and attitudes toward loans and debt.

Prob (**Not satisfied** = 0) = 1-F (Z) = $e^{z/(1+e^{-z})}$

= …….………………………………….......... (2)

Therefore, equation 1 and 2 can be written as:

$\frac{F (Z)}{1- F (Z)} = \frac{1+e^z}{1+e^{-z}}$

………………………………………………
…………………………….... (3)

Equation 3 is simply the odd ratio in favour of household failing below the satisfaction line. This is the ratio of the probability that a household head will be satisfied to the probability that he will not be satisfied. The natural log of equation 3 results into:

$L_i = L_n(\frac{F (Z)}{1-(F)}) = Z = (0 + (1$

$X_1, …… …… …… …… …. . (kX_{k,})$ ……….…...(4)

L_i Is the logit (i.e. natural logarithm of the odd ratio)

$(\frac{F (Z)}{1-(F)})$ = The odd ratio in favour of the probability of being not satisfied and satisfied.

$F (Z)$= 1 if household head is satisfied and $1 - (F) = 0$ if household head is satisfied.

Thus, the dependent variable represents perception status of household head or respondent.

For the purpose of this study, the specification of the empirical model is as follows;

$L_i = L_n$ ((F (Z)) / (1- F (Z)) =

$\beta_0 + \beta_1 age + \beta_2 mar + \beta_3 hou + \beta_4 Inc + \beta_5 lap + \beta_6 lat + \beta_7 lir + \beta_8 lrt + \beta_9 pbb +$
……...…....(5)

Where:

Age = *Household head Age*

Mar = *Marriage Status*

Hou = *Size of household*

Inc = *Income*

Lap = *Loan application process*

Lat = *Loan approval time*

Lir = *Loan interest rate*

Lrt = *Loan repayment terms*

Pbb = *The proximity of banks outlets*

Cba = *Cultural beliefs and attitudes toward loans and debt*

A prior expectation of this logistic regression model is that:

$$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4\beta_5, \beta_6, \beta_7, \beta_8 \beta_9 \beta_{10}, \beta > 0$$

4 Results Analysis and Discussions

Table 1: Characteristics of the respondents

Variables	Frequency	Percent (%)
Age in years		
18 to30	85	28.72
31 to 50	160	54.05
51 above	51	17.23
	296	**100.00**
Marital status		
Divorced	14	4.72
Single	51	17.22
Married	231	70.04
	296	**100.00**
Size of Household		
1 - 5	42	14.19
6 - 10	200	67.57
11 - 15	24	8.11
16 above	30	10.14
	296	**100.00**
Monthly Income		
N30000 and below	66	22.30
N31000 to N50000	68	22.97
N51000 to N99000	162	54.73
	296	**100.00**
Loan Application Process		
Smooth	90	30.41
Complicated	110	37.16
Time consuming	96	32.43
	296	**100.00**
Loan Approval Time		
Immediately	107	36.15
Take some time	189	63.85
	296	**100.00**
Loan Interest Rate		

Low	108	23.31
Moderate	119	40.20
High	69	36.49
	296	**100.00**
Loan Repayment Terms		
Favourable	49	16.55
Undecided	91	30.74
Unfavourable	156	52.70
	296	**100.00**
The Proximity of Banks Branches		
High	23	7.77
Moderate	104	68.92
Low	69	23.31
	296	**100.00**
Socio- Cultural Factor		
Good	86	29.05
Poor	210	70.95
Total	**296**	**100.00**

Source: Field Survey, (2023).

The socio-economic characteristics in the study area are based on frequency and percentage (%) which are depicted on table 1; and equally table 2 shows the mean (average), standard deviation, minimum and maximum of respondents' characteristics. The study indicates 54.05% of the respondents are of age bracket 31 to 50years, while 70.04% of the respondents are married of which most of them are married. The household size where majority 67.57% are having family size of 6 to 10. Most of the respondents are of low income with 54.73% having between ₦31,000 to ₦50,000, while in the loan application process the highest frequency (110, 37.16%) count on complications in the processes. The respondents result also shows that loan approval time (189, 63.85%) which indicate the approval time take some time. In the loan interest rate (40.20%) is the highest that is moderate in interest rate. The study further indicates majority (52.70%) as unfavourable in loan repayment terms, while 68.92% as moderate in proximity of Microfinance Banks Branches and 70.95% as poor in socio-cultural factor in the study area.

Table 2: Descriptive Statistics of the Respondents

Variables	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**
Age in years (**Age**)	296	37.57095	9.428502	24	51
Marital Status (**Mar**)	296	1.733108	0.5396657	0	2

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House Size (**Hou**)	296	3.790541	3.032599	0	11
Monthly Income (**Inc**)	296	78648.65	27980.59	30000	100000
Loan Processing Period (**Lap**)	296	2.02027	0.793785	1	3
Loan Approval Time (**Lat**)	296	2.361485	0.750866	1	2
Loan Interest Rate (**Lir**)	296	2.131757	0.7632701	1	3
Loan Repayment Terms (**Lrt**)	296	2.510135	0.6430056	1	3
Proximity of Banks Branches (**Pbb**)	296	1.844595	0.5363131	1	3
Socio- Cultural Factor (**Cba**)	296	1.709459	0.4547807	1	2

Source: Field Survey, (2023).

Table 3: Logit Model and Marginal Effect Results

Variables	Logit	Marginal Effect
Age in years (**age**)	-0.1293*	-0.0038
	(0.0796)	
Marital status (**mar**)	-3.4162**	-0.0993
	(1.3483)	
Household size (**hou**)	0.7468**	0.0217
	(0.3631)	
Monthly Income (**Inc**)	0.0001**	3.7777
	(0.0007)	
Loan Processing Period (**Lap**)	-2.2876**	-0.0665
	(1.1634)	
Loan Approval Time (**Lat**)	-2.4638*	-0.0759
	(2.6592)	
Loan Interest Rate (**Lir**)	-7.4904***	-0.2177
	(2.9187)	
Loan Repayment Terms (**Lrt**)	7.7859***	0.2263
	(2.8242)	
Proximity of Banks Branches (**Pbb**)	-0.0223*	-0.0006
	(1.7944)	
Socio- Cultural Factor (**Cba**)	-10.8499**	0.3153
	(4.2205)	
Constant	10.2490***	
	(3.6472)	
No of Obs = 296 **Pseudo R^2** = 0.7779 **Adjusted R^2= 0.7702** **Prob**> **F** = 0.0000		

Source: Authors' computation from survey data (2023) using STATA 14.

The figures in parenthesis are p-values. They implies ***significant at 1%, **significant at 5% and *significant at 10%.

All the variables in study are significant in explaining the probability of peoples' perception towards microfinance banks (MFBs) loans delivery in Yobe state. Some factors are

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positively significance while others are negatively significant. The factors that are positively significant are: household size, Monthly Income, Loan repayment terms and Socio-cultural factors. Those variables that are negatively significant are: Age of the household head in years, marital status, Loan Processing Period, Loan approval time, Loan interest rate, Proximity of Banks branches. It's to note that marginal effects is of interest in logit model analysis and not the signs of the coefficients.

From the logit result in table 3, which shows that as household size increases by one member so the likelihood of the household being satisfied with the activities of MFBs will significantly increase taking the marginal effects by 2.17%. As the Monthly income increases by one unit, the probability of the household being satisfied with the activities of MFBs will significantly increase by 377%. Furthermore, as the loan repayment terms and socio-cultural factors increases by one unit, the probability of the respondent being satisfied with the activities of MFBs will significantly increase by 22.63% and 31.53% respectively

The result also shows an inverse relationship, as in age of the respondents were decreases in one (1) unit will result in the probability of respondents being not satisfied with the activities of MFBs to be increases by 0.38%. Also as the factor of being married decreases in the direction of not married so also the probability of the respondents being not satisfied aspect of Microfinance banks will be significantly increases by 9.93%. The loan application processes variable factor also indicates potentiality as many of the respondents' lack some basic patients in waiting; so as the loan application processes increases by one unit then the probability not satisfied with

the activities of MFBs will be increases by 6.65%.

Furthermore, the variables loan approval time and loan interest rate shows that, as these factors decreases by one unit so also the result the probability of the respondents being not satisfied with the activities of MFBs will increases by 7.59% and 21.77% respectively. The result is in conformity with Sani et al 2018.

From the foregoing results, it is evident that the peoples' perception towards Microfinance Banks (MFBs) loans delivery in Yobe state, Nigeria was seriously and negatively affected in the study area.

5 Conclusions

The study attempted to examine peoples' perception towards Microfinance Banks loans delivery in Yobe state, Nigeria and factors that are the determinants of the peoples' perception on MFBs in Yobe state, Nigeria. The logit model aided by STATA 14 was used to analysed a range of respondents views on peoples' perception on MFBs in Yobe state. variables/characteristics The result showed that household size, Monthly income, loan repayment terms and socio-cultural factors are positively/directly significantly associated with peoples' perception towards Microfinance Banks (MFBs) loans delivery in Yobe state; while the household head age, marital status, loan application processes, loan approval terms, loan interest rate and proximity to microfinance bank branches are negatively/indirectly significantly associated with peoples' perception towards Microfinance Banks (MFBs) loans delivery in the study area.

6 Recommendations

The study offers some recommendations as:

❖ The government should provide a holistic and comprehensive approach toward establishments of more microfinance banks in Yobe state in particular and Nigeria by extension.

❖ The government at all levels should provide wide awareness and campaign on the importance of Microfinance Banks.

❖ The Microfinance Banks should seriously look in to their loan application process, approval time, interest rate and repayment terms with a view to soften it.

7 Acknowledgement

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