



ISSN 2278 – 0211 (Online)

## Relating Light Enterprises' Loan Access to Repayment in Two North-central Nigerian Cities

Isaiah Olajide Babatunde

Chief Lecturer/ Lectures Facilities, Department of Estate Management and Valuation,  
School of Environmental Studies, Niger State Polytechnic, Zungeru, Nigeria

### Abstract:

*Investigation of the relationship between the type of small and medium enterprises (SMEs) granted loans by deposit money banks (DMBs) and the degree of punctuality with which the SMEs repaid such loans in Abuja and Ilorin, North central Nigeria was the focus of this study. Data obtained from DMBs in the cities were analysed using descriptive and inferential statistics. The results established that DMBs granted loan access priority to the SMEs that promptly repaid their loans. Service Industries Group II consisting of hospitals, hotels, eateries and schools; Manufacturing Group I comprising of food, medical processing & allied firms and Service Industries Group I, made up of petroleum and gas filling stations which repaid their loan punctually were the ones granted high consideration for secured loans by the DMBs in the cities. On the basis of these findings, the study recommended that DMBs should organize regular seminars for proprietors of SMEs on the critical criteria they require in order to smoothly access loanable funds from them. Also as a means of boosting local production of essential commodities and providing employment for many idle Nigerian youths, the light manufacturing groups should be trained on the method of running profitable production business. The Central Bank of Nigeria should similarly intensify effort in providing support to the SME groups in the areas of funding and capacity building so as to ease the Nigerian economy from intermittent recessions.*

**Keywords:** Light enterprises, loan access, loan repayment, North central Nigerian cities

### 1. Introduction

Small and medium scale enterprises (SMEs) are often termed light industries (enterprises) in Nigeria. They play significant role in the growth and development of the Nigerian economy. Their developmental roles in the Nigerian economy are evident in the areas of provision of direct and indirect employments, local skills and technological acquisition for the country's young graduates and foreign exchange for further development of the economy (Adelaja 2003 and Aruwa 2004). Some SMEs also serve as major facilitators for industrial dispersal and rural development and thus help in mitigating the rural-urban drift.

If the SMEs should continue to play those critical roles in the national economy, adequate financial support must be provided for them. Funding of SMEs in Nigeria were mainly sourced through equity and informal finance windows which were not often regulated (Aruwa, 2004). The small and medium enterprises industrial equity (SMEIE) fund set up to finance them also lacked standard guidelines for the SMEs to access (Aruwa, op cit.). What were usually available to them, as well as other large firms, were secured loans from deposit money banks as demonstrated in Tanzania, Kenya and Uganda (Campa, 2006).

Secured loans are the credits obtained through the technique of exchanging collateral assets for financial support by customers of deposit money banks (Central Bank of Nigeria, 2010). Secured loans from deposit moneybanks (DMBs) remained the main source of secured loans to SMEs in Nigeria (Aruwa 2004). The results of the studies did not however clearly state the categories of SMEs that were considered for such loans by the DMBs.

Studies such as Adelaja (2003), Aruwa (2004), Ogboru (2007) and Terungwa (2012) also argued that despite the significant position of the SMEs in the Nigerian economy and by implication the economy of North central Nigeria, their access to funding particularly from DMBs had been fraught with several challenges. The loans kept fluctuating and declining as a result of collateral factors and punctuality of loan repayment by the SMEs (Adelaja 2003). Other factors that guaranteed SMEs' access to secured loans from DMBs in Nigeria included the willingness and punctuality of the borrower to pay loan interest and evidence of good business performance (Aruwa 2004, Ogboru 2007 and Nwuba, Egwuatu & Salawu, 2011). Of all the factors of loan access postulated by these studies, it appeared that promptness of loan repayment was the most critical. They did not however sufficiently examine the promptness of loan repayment by the SMEs in order to show its significance as a critical factor of access to secured loans from DMBs in their study areas. Arising from the foregoing, this study is therefore intended to examine the types of small and medium scale enterprises that are considered for secured loans by deposit money banks in Abuja and Ilorin in North central Nigeria; analyze the promptness in which

the SMEs repay such loans and evaluate the relationship between punctuality of loan repayment and access to such loans by SMEs in Abuja and Ilorin view to influencing policy and regulation on access of SMEs to secured lending in the two cities.

*1.1. The Study Area*

Abuja, the Federal Capital and Ilorin the Kwara State Capital are the cities of study. They are the largest and the most populated in the North central geopolitical zone of Nigeria.

**Abuja:** According to International Planning Associates (1979), Abuja, the federal capital city of Nigeria is located on Latitude 9° 4'N and Longitude 7° 28'E. It has an area of 275.30 square kilometres. All the nineteen DMBs operating in Nigeria have their head office annexes in the city (Central Bank of Nigeria (CBN) website). The CBN, the Security and Exchange Commission National Deposit Insurance Corporation and Asset Management Corporation of Nigeria are also located in the city. Abuja had a population of 776,298 inhabitants(Nigerian Population Census, 2006).This figure was projected in 2015 to be 3,000,000, making it the largest city in the zone. Many micro, small and medium scale enterprises (MSMEs) in the areas of manufacturing; service and trade operate in the city. The map of the Federal Capital Territory showing Abuja Municipality is shown on Figure 1.

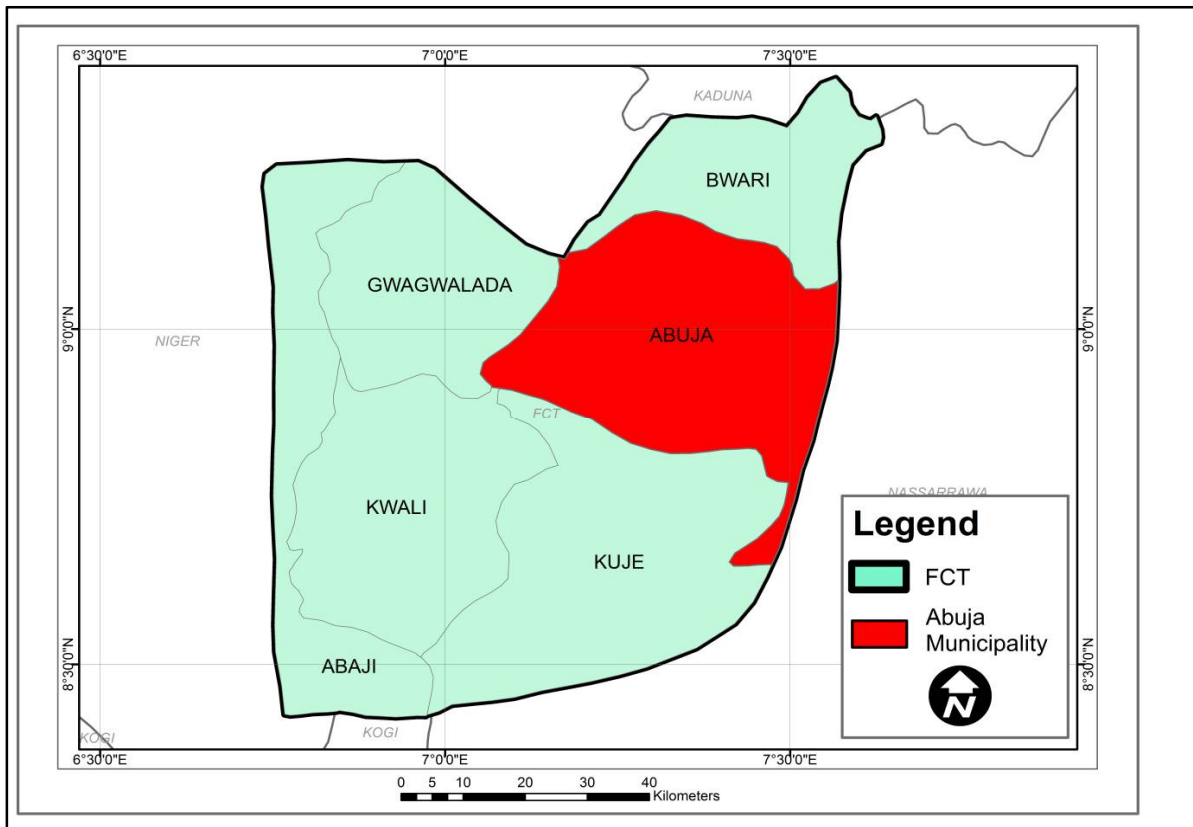
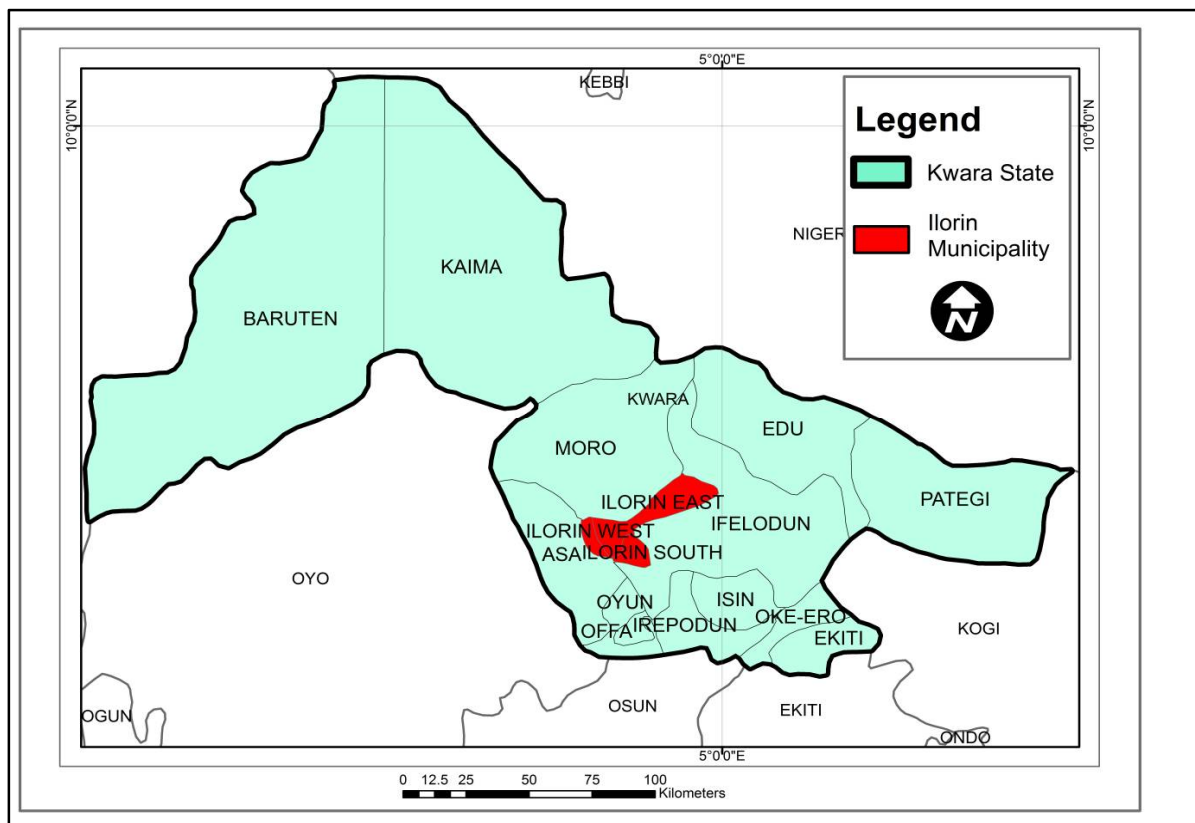


Figure 1: Map of FCT Showing Abuja Municipality  
Source: FCDA Survey Department (2017)

**Ilorin:** Ilorin, located on Latitude 8° 30'N and Longitude 4° 35'E [www.mapsofworld.com/lat\\_long/nigeria-lat-long.html](http://www.mapsofworld.com/lat_long/nigeria-lat-long.html)(retrieved on 13/05/2017), is the capital of Kwara State. In 2006, it had a population of 781,934 making it the second largest city in North central Nigeria (Nigerian Population Census, 2006). The CBN website indicates that 17 No DMBs operate in the city. Many SMEs also conduct business in the city. The map of Kwara State showing Ilorin city is shown on Figure 2.



*Figure 2: Map of Kwara State Showing Ilorin Municipality*  
*Source: Survey Dept. Kwara State Ministry of Lands and Physical Planning (2017)*

## 2. Literature Review

SMEs enjoy financial support in both developing and developed countries because of the significant roles they play in such economies. In Nigeria, SME funding is sourced from personal savings, commercial banks, cooperative societies, microfinance banks; development/ industrial banks and leasing companies among others (Aruwa 2004, Ogboru 2007, Chando and Sekioua 2012 and Gbandi and Amisshah 2014).

Aruwa (2004) while exploring the financing options for SMEs in Nigeria established that DMBs remained the main source of formal finance for them. The empirical study which was conducted among some DMBs in Abuja and Kaduna using descriptive statistics showed that loans from DMBs between 1992 and 2000 declined progressively from 48.8 % to 9.7% of all external funding to SMEs. It thereafter rose to 31.0% and 32.9% in 2001 and 2002 respectively. Although the study was conducted in Northern Nigeria, it did not however establish the types of SMEs that DMBs considered for secured loans in the cities.

Also, Ogboru (2007) while evaluating the funding arrangement for SMEs in Nigeria showed the significant difference between SME types and the funding arrangement. The study also disclosed that the challenge associated with DMBs' credits to SMEs was the demand for collateral, high cost of credit and administrative charges. Even though the study identified the SMEs and their access to banks' credits, the objectives of the study and the methods of investigation did not categorise the SMEs that were granted secured loans by the banks.

Adelaja (2003) categorised SMEs on the basis of the services they rendered. These categories included manufacturing firms, information technology companies (business centre operators) and pharmaceutical marketing. These categories were not as comprehensive and official as the ones stipulated by CBN (2010). It seems that a study on SME types that is based on institutional categorisation will be more useful to policy formulation and regulation.

Bichanga & Aseyo (2013), Munene & Guyo (2013) and Addae-Korankye (2014) established that improper selection of borrower could contribute to loan default or delinquency among business operators. This implies that there is a relationship between the propriety of borrower selection and punctuality of loan repayment. Despite this correlation; available investigations on this issue have been scanty. Aside the fact that studies such as Aruwa (2004), Ogboru (2007), Nwuba, Egwuatu & Salawu (2011) and Makorere (2014) discussed high rate of recovery and punctuality of loan repayment as part of the critical factors that guaranteed SMEs access to secured loan, they did not sufficiently investigate the relationship between the types of SMEs selected for secured loans and those that promptly repaid such loans.

## 3. Data and Methods

The study population consisted of 36 No deposit money banks (DMBs). The breakdown of this population showed that DMBs in Abuja and Ilorin respectively were 19 and 17. All the 36 DMBs were selected for survey. The survey is depicted on Table 1.

S/N	Cities	DMBs sample	DMBs selected size for survey
1	Abuja	19	19
2	Ilorin	17	17
	Total	36	36

*Table 1: Sampled population and the size selected for survey*  
*Source: Field survey*

Well-structured and closed-ended questionnaire were used to collect primary data for the study. Secondary data were sourced from the official publications of the National Bureau of Statistics (NBS), SMEDAN, the Chartered Institute of Bankers of Nigeria and the CBN. Questionnaire distribution and retrieval are presented on Tables 2 and 3.

S/No	City	No of Questionnaire Distributed	Frequency of Questionnaire Retrieved	Percentage (%) of Questionnaire Retrieved
1	Abuja	19	15	78.95
2	Ilorin	17	12	70.59
	Total	36	27	75.00

*Table 2: Questionnaire distribution and retrieval among DMBs*  
*Source: Field survey*

Business grouping of the SMEs as provided by NBS (2013) was adopted in the study. Details of the SME groupings as standardized by NBS (2013) are presented on Table 3

SME sector	Description
Manufacturing Group I	Food processing, including pharmaceuticals etc.
Manufacturing Group II	Building materials & allied products
Manufacturing Group III	Household utensils & allied products
Service Industries Group I	Petroleum and gas filling stations
Service Industries Group II	Hospitals, hotels, eateries & schools
Service Industries Group III	Laundries, waste processing, private security & allied firms
General Business/Consultancy	Contractors, suppliers, consultants & allied firms
Trading Concerns	Textile, electronics, motor spare parts, motor dealers etc.

*Table 3: Business grouping of the SMEs*  
*Source: National Bureau of Statistics (2013)*

Descriptive statistics were the methods of data measurement while relative importance index and spearman correlation model were the techniques of data analysis adopted by the study.

#### 4. Results and Discussion

The results of this study were derived the analysis of data on types of SME granted secured loans by DMBs, punctuality of repayment of secured loans by SMEs and the relationship of loan access to punctuality of loan repayment by the SMEs.

##### 4.1. Types of SME Granted Secured Loans by Deposit Money Banks

The types of small and medium scale enterprises granted loans by deposit money banks with their weighted scores and relative importance indices in the study area are displayed on Tables 5 and 6.

SME sector	Ranks / Frequency								Wted. Score	RII
	8	7	6	5	4	3	2	1		
Manufacturing Group I	5	2	2	2	0	1	3	0	85	0.708
Manufacturing Group II	0	2	2	2	1	3	2	3	56	0.467
Manufacturing Group III	1	2	1	2	1	2	0	5	53	0.442
Service Industries Group I	2	2	2	3	1	2	2	1	72	0.600
Service Industries Group II	5	3	1	1	4	1	0	0	91	0.758
Service Industries Group III	0	1	0	1	4	3	2	2	43	0.358
General Business/ Consultancy	0	1	4	3	2	3	1	1	66	0.550
Trading Companies	1	1	2	1	2	1	6	3	58	0.483

Table 5: Weighted scores and relative importance index of SMEs considered for loans by deposit money banks in Abuja  
Source: Field survey

SME sector	Ranks / Frequency								Wtd. Score	RII
	8	7	6	5	4	3	2	1		
Manufacturing Group I	3	2	1	2	0	1	2	1	62	0.646
Manufacturing Group II	0	1	1	1	1	2	3	3	37	0.385
Manufacturing Group III	0	0	1	1	3	3	1	2	36	0.375
Service Industries Group I	2	3	2	2	1	1	1	0	68	0.708
Service Industries Group II	5	3	1	1	2	0	0	0	80	0.833
Service Industries Group III	0	1	1	1	1	3	2	3	32	0.333
General Business/ Consultancy	1	1	2	1	1	1	2	3	46	0.479
Trading Companies	1	1	2	2	2	1	1	0	49	0.510

Table 6: Weighted scores and relative importance index of SMEs considered for loans by deposit money banks in Ilorin  
Source: Field survey

The results presented on Tables 5 and 6 were-arranged and re-presented on Tables 7 and 8 to display the relative importance indices and ranks of the SMEs that were granted secured loans in both cities.

SME Sectors	Relative importance index	Rank
Service Industries Group II	0.758	1st
Manufacturing Group I	0.708	2nd
Service Industries Group I	0.600	3rd
General Business/ Consultancy	0.550	4th
Trading Companies	0.483	5th
Manufacturing Group II	0.467	6th
Manufacturing Group III	0.442	7th
Service Industries Group III	0.358	8th

Table 7: Relative importance index and ranks of the types of SMEs considered for loans by deposit money banks in Abuja  
Source: Field survey

SME sector	RII	Rank
Service Industries Group II	0.833	1st
Service Industries Group I	0.708	2nd
Manufacturing Group I	0.646	3rd
Trading Companies	0.510	4th
General Business/ Consultancy	0.479	5th
Manufacturing Group II	0.385	6th
Manufacturing Group III	0.375	7th
Service Industries Group III	0.333	8th

Table 8: Relative importance index and ranks of SMEs considered for loans by deposit money banks in Ilorin  
Source: Field survey



Tables 7 and 8 showed that Service Industries Group II, made up of hospitals, diagnostic centers, hotels, catering houses, eateries and schools were the most favored type of SMEs for secured loans by deposit money banks in both Abuja and Ilorin cities. Other similarities shared by the two cities were the three least considered SMEs for secured loans by DMBs. They were the Manufacturing Group II, Manufacturing Group III and Service Industries Group III which came 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> respectively on the two tables. This result also indicated that the opinions and actions of the deposit money banks on grant of secured loans to Service Industries Group II, Manufacturing Group II, Manufacturing Group III and Service Industries Group III were the same.

The consideration given to other types of SMEs such as Service Industries Group I, Manufacturing Group I, Trading Companies and General Business/ Consultancy firms for grant of secured loans were slightly different as shown on the two tables. It was observed that Manufacturing Group I ranked second while Service Industries Group I ranked third for loan procurement from DMBs in Abuja. The two types of SMEs swapped ranks in Ilorin city. Also Trading Companies and General Business/ Consultancy firms swapped positions on both tables. This finding showed that there was a slight difference in the scale of selection of the four types of firms in the two cities.

#### 4.2. Punctuality of Repayment of Secured Loans by SMEs

The weighted scores and relative importance indices of the promptness of repayment of secured loans by SMEs to deposit money banks in Abuja and Ilorin were presented on Tables 9 and 10.

SME sector	Weight / Frequency								Wtd. Score	RII
	8	7	6	5	4	3	2	1		
Manufacturing Group I	4	2	2	3	1	2	1	0	85	0.708
Manufacturing Group II	0	1	1	2	3	5	1	2	54	0.450
Manufacturing Group III	1	1	1	2	2	2	2	4	53	0.442
Service Industries Group I	2	4	3	2	2	0	1	1	75	0.625
Service Industries Group II	8	5	1	1	0	0	0	0	110	0.917
Service Industries Group III	0	0	0	2	2	3	4	4	39	0.325
General Business/ Consultancy	0	1	5	0	3	2	2	2	59	0.492
Trading Companies	0	2	2	3	2	1	4	1	61	0.508

Table 9: Weighted scores and RII on the punctuality of SMEs in the repayment of secured loans in Abuja

Source: Field Survey

SME Sectors	Weight / Frequency								Wtd. Score	RII
	8	7	6	5	4	3	2	1		
Manufacturing Group I	3	2	1	2	1	1	1	0	63	0.656
Manufacturing Group II	0	1	1	2	2	3	2	1	43	0.448
Manufacturing Group III	0	0	0	2	2	2	3	3	33	0.344
Service Industries Group I	2	3	2	2	1	0	1	1	66	0.688
Service Industries Group II	6	3	1	1	0	1	0	0	83	0.865
Service Industries Group III	1	0	1	2	1	2	2	3	41	0.427
General Business/ Consultancy	0	1	4	0	3	2	1	1	52	0.542
Trading Companies	0	1	2	3	2	1	2	1	50	0.521

Table 10: Weighted scores and RII on the punctuality of SMEs in the repayment of secured loans in Ilorin

Source: Field Survey

The outcomes of Tables 9 and 10 were arranged and re-presented on Tables 11 and 12 to display the relative importance indices and ranks of the punctuality of SMEs in the repayment of their secured loans to DMBs in the cities.

SME sector	RII	Rank
Service Industries Group II	0.917	1 <sup>st</sup>
Manufacturing Group I	0.708	2 <sup>nd</sup>
Service Industries Group I	0.625	3 <sup>rd</sup>
Trading Companies	0.508	4 <sup>th</sup>
General Business/ Consultancy	0.492	5 <sup>th</sup>
Manufacturing Group II	0.450	6 <sup>th</sup>
Manufacturing Group III	0.442	7 <sup>th</sup>
Service Industries Group III	0.325	8 <sup>th</sup>

Table 11: RII and Ranking of punctuality of the SMEs in the repayment of their loans to DMBs in Abuja

Source: Field Survey

SME sector	Relative Importance Index	Rank
Service Industries Group II	0.865	1 <sup>st</sup>
Service Industries Group I	0.688	2 <sup>nd</sup>
Manufacturing Group I	0.656	3 <sup>rd</sup>
General Business/ Consultancy	0.542	4 <sup>th</sup>
Trading Companies	0.521	5 <sup>th</sup>
Manufacturing Group II	0.448	6 <sup>th</sup>
Service Industries Group III	0.427	7 <sup>th</sup>
Manufacturing Group III	0.344	8 <sup>th</sup>

Table 12: RII and Ranking of punctuality of the SMEs in the repayment of their loans to DMBs in Ilorin  
Source: Field Survey

4.3. Relating Loan Access to Punctuality of Loan Repayment by the SMES

Separate test of significant relationship between access to loans and loan repayment by SMEs was conducted for each city. Tests 1 and 2 were conducted for Abuja and Ilorin respectively.

**Test 1:** In assessing the relationship between the types of SME considered for secured loans by DMBs and the types of SME that promptly repaid their secured loans in the Abuja, the rank of access of SMEs to loans were correlated with that punctuality of the SMEs in their repayment of loans as shown on Table 13. The Spearman Correlation model was subsequently applied to process the findings.

S/N	SME sector	Rank (r <sub>1</sub> ) of Loan access (x)	Rank (r <sub>2</sub> ) of loan repayment (y)	d	d <sup>2</sup>
1	Service Industries Group II	1	1	0	0
2	Manufacturing Group I	2	2	0	0
3	Service Industries Group I	3	3	0	0
4	General Business/ Consultancy	4	5	-1	1
5	Trading Companies	5	4	+1	1
6	Manufacturing Group II	6	6	0	0
7	Manufacturing Group III	7	7	0	0
8	Service Industries Group III	8	8	0	0
					∑d <sup>2</sup> = 2

Table 13: Spearman Correlation Co-Efficient (ρ)

$$\begin{aligned}
 \rho &= 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)} \\
 &= 1 - \frac{6(2)}{8(64 - 1)} \\
 &= 1 - \frac{12}{8(63)} \\
 &= 1 - \frac{12}{504} \\
 &= 1 - 0.02381 \\
 \rho &= \mathbf{0.976}
 \end{aligned}$$

**Result 1:** The Spearman correlation equation resulted into a ρ -value of **0.976**. The result indicated that there was a positive relationship between the types of SME which DMBs considered for secured loans and the types of SME that promptly repaid their secured loans in Abuja.

**Test 2:** This test assessed the relationship between the types of SME considered for secured loans by deposit money banks and the types of SME that promptly repaid their secured loans in Ilorin, the rank of access of SMEs to loans were correlated with that punctuality of SMEs in repayment of loans in the city as shown in Table 14. Also, the Spearman Correlation model was applied to process the findings from the analysis.

S/N	SME sector	Rank (r <sub>1</sub> ) of Loan access (x)	Rank (r <sub>2</sub> ) of loan repayment (y)	d	d <sup>2</sup>
1	Service Industries Group II	1	1	0	0
2	Service Industries Group I	2	2	0	0
3	Manufacturing Group I	3	3	0	0
4	Trading Companies	4	5	-1	1
5	General Business/ Consultancy	5	4	1	1
6	Manufacturing Group II	6	6	0	0
7	Manufacturing Group III	7	8	-1	1
8	Service Industries Group III	8	7	1	1
					$\sum d^2 = 4$

Table14: Spearman Correlation Co-Efficient (p)

$$\begin{aligned} \rho &= 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)} \\ &= 1 - \frac{6(4)}{8(64 - 1)} \\ &= 1 - \frac{24}{8(63)} \\ &= 1 - 0.0408 \\ \rho &= \mathbf{0.952} \end{aligned}$$

**Result 2:** The Spearman correlation equation resulted into a  $\rho$ -value of **0.952**. Although the  $\rho$ -value was lower than the one obtained for Abuja, it also sufficiently indicated that there was a positive relationship between the types of SME which DMBs considered for secured loans and the types of SME that promptly repaid their secured loans in Ilorin.

It could therefore be inferred that the grant of loan by deposit money banks to the SME operators in the two cities were closely and strongly associated with the willingness and capacity of the SME operators to promptly and sufficiently repay their loans. The results also suggested that granting of secured loans to each type of SMEs in the study area directly depended on the capacity and the promptness of the particular type SMEs to repay its loan. It was also inferred from the results that if the tempo portrayed by the position of the manufacturing groups on both the tables of grant of secured loan to SMEs and those of SMEs' access to loans were not reversed, the growth of the productive sector of the economy of the cities would be retarded.

## 5. Conclusion and Recommendations

The results that emanated from this study had necessitated the need for the formulation of a number of conclusions.

First, the study established that DMBs gave more priority to service providing firms in their consideration of SMEs for secured lending. The SME types that scaled 50% hurdle of RII on the loan consideration tables in the two cities were the Service Industries Group II consisting of hospitals, hotels, eateries and schools (with RII of 0.758& 0.833 for Abuja and Ilorin respectively); Manufacturing Group I which comprises of Food & medical processing and allied firms (with RII of 0.708&0.646 for Abuja and Ilorin correspondingly); Service Industries Group I, made up of Petroleum and gas filling stations (with RII of 0.6 &0.708 for Abuja and Ilorin respectively); General Business/ Consultancy with RII of 0.550 for Abuja and Trading Companies with RII of 0.510 for Ilorin. Out of the three major manufacturing groups of SMEs, only one group (Manufacturing Group I) scaled the loan access priority measure of the banks. This result is not good for an economy in recession such as Nigeria.

It also declared that the SME types highly rated for loanable funds by the DMBs were the ones that usually repaid their loans punctually. Service Industries Group II (with RII of 0.917&0.865 for Abuja and Ilorin respectively), Manufacturing Group I (with RII of 0.708&0.656 for Abuja and Ilorin respectively), Service Industries Group I (with RII of 0.625&0.688 for Abuja and Ilorin respectively), Trading Companies with RII of 0.508 for Abuja and General Business/ Consultancy with RII of 0.542 for Ilorin were similarly the ones that promptly repaid their secured loans to the DMBs in the two cities.

It therefore concluded that selection of SMEs for loan consideration by the DMBs in Abuja and Ilorin had a strong relationship with the degree of promptness with which they repaid their previous credits. It is consequently affirmed that punctuality of loan repayment was a critical requirement that SMEs should fulfill in order to continue to enjoy access to DMBs' loans in the two cities.

On the basis of the foregoing, the study recommends that DMBs should organize regular interactions with proprietors of SMEs especially the manufacturing groups amongst them on the essential criteria they require to meet before they could smoothly access loanable funds from them. In view of the need to boost local production of essential commodities in the country and provide employment for many idle Nigerian youth, both the DMBs and Small and Medium Enterprises Development Association of Nigeria should continually organize seminars and training workshops for the manufacturing groups in the SME sector on how to run profitable production business. Critical subjects of discussion in such seminars should include management of production process, product marketing, corporate governance and standard accounting practice. Adequate funding of manufacturing firms especially from the SMEs by DMBs will not only save Nigerian economy from overdependence on imported foreign products but will conserve the



nation's foreign earnings for other uses. For the Nigerian economy to cease from intermittent recession the Central Bank of Nigeria should intensify effort in providing support to the SME group in the areas funding and capacity building.

## 6. References

- i. Addae-Korankye, A. (2014). Causes and control of loan default and delinquency in microfinance institutions in Ghana. *American International Journal of Contemporary Research*, 4(12), pp.36-45.
- ii. Adelaja, B.O. (2003). An assessment of small and medium industries equity investment scheme implementation guidelines. [www.academia.edu/260417](http://www.academia.edu/260417).
- iii. Aruwa, S. (2004). Financing options for small and medium enterprises (SMEs) in Nigeria. [www.academic.edu/305870](http://www.academic.edu/305870) 15 pages retrieved on 14/03/2017.
- iv. Bichanga, W.O. & Aseyo, Lilian (2013). Causes of loan default within micro-finance institutions in Kenya. *Interdisciplinary Journal of Contemporary Research in Business* 5(12) 316-335.
- v. Calice, P. Chando, V.M, and Sekioua, S. (2012). Bank financing to small and medium enterprises in East Africa: Findings of a survey in Kenya, Tanzania, Uganda and Zambia Africa Development Bank Group Working Paper Series, No 146, March 2012.
- vi. Campa, A. A. (2006). Emerging collateral practices in countries with reformed and unreformed secured transactions frameworks. The International Finance Corporation, Small and Medium Enterprise Department, pp. 1-50.
- vii. CBN (2005). CBN Publications on Nigeria's Small And Medium Enterprises Equity
- viii. Gbandi, E.C. and Amissah, G. (2014). Financing options for small and medium enterprises (SMEs) in Nigeria. *European Scientific Journal* 10(1), pp.327-340.
- ix. FCDA Survey Department (2017). Map of FCT Showing Abuja Municipality.
- x. IPA (1979). Master plan of the Federal Capital Development Authority of Nigeria prepared by International Planning Associates
- xi. Kwara State Government ([www.kwarastate.gov.ng](http://www.kwarastate.gov.ng) retrieved on March 16, 2013)
- xii. Kwara State Ministry of Lands and Physical Planning (2014). Map of Ilorin Metropolis Prepared by the Survey Department.
- xiii. Leitner, Y. (2006), Using Collateral to Secure Loans. *Federal Reserve Bank of Philadelphia Business Review*, Q2, 9-16 [www.philadelphiafed.org/econ/br/index.html](http://www.philadelphiafed.org/econ/br/index.html)
- xiv. Lucky, E. O. and Olusegun I. A. (2012). Is a small and medium enterprise (SME) an entrepreneurship? *Journal of Academic Research in Business and Social Sciences*, 2(1) pp.487-496.
- xv. Makorere, R.F. (2014). Factors affecting loan repayment behavior in Tanzania: empirical evidence from Dar es Salam and Morogoro Regions. *International Journal of Development and Sustainability*, 3(3) pp.481-492
- xvi. Munene, H.N. and Guyo, S.H. (2013). Factors influencing loan repayment default in micro-finance institutions: the experience of Imenti North District, Kenya. *International Journal of Applied Science and Technology*, 3(3) pp.80-84.
- xvii. National Bureau of Statistics (2013) website [www.nigerianstat.gov.ng](http://www.nigerianstat.gov.ng) retrieved on 16/05/2017.
- xviii. Nigeria Population Commission website [www.population.gov.ng](http://www.population.gov.ng) retrieved on 16/05/2017.
- xix. Nwuba, C.C., Egwuatu, U.S. and Salawu, B.M. (2011). The application of real estate as Loan collateral in Nigeria's banking sector. *Research Journal of Finance and Accounting* 4 (11), pp.61-71.
- xx. Ogboru, P. L. (2007). An Evaluation of Funding Arrangement for SMES in Nigeria: An unpublished PhD Thesis submitted to Department of Business and Management Studies, St Clements University, British West Indies.
- xxi. Olokoyo, F.O. (2011). Determination of banks' lending behaviour in Nigeria. *Journal of Financial Research* 2(2), pp.61-72.
- xxii. Terungwa, Azende (2012). Risk management and insurance of small and medium scale enterprises (SMES) in Nigeria. *International Journal of Finance and Accounting*, 1(1) pp.8-17.
- xxiii. [www.mapsofworld.com/lat\\_long/nigeria-lat-long.html](http://www.mapsofworld.com/lat_long/nigeria-lat-long.html) (retrieved on 13/05/2017), Location of Ilorin, Kwara State Capital.