MICROFINANCE BANK SERVICES AND SMALL AND MEDIUM-SCALE ENTERPRISES SURVIVAL IN NORTH-CENTRAL NIGERIA

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Abstract
Eighty per cent (80%) of small and medium scale enterprises (SMEs) in Nigeria exited commercial undertakings before five (5) years of operation, one of the reasons adduced to this is inadequate access to finance as they were considered un-bankable by commercial banks. The existence of micro-finance institutions creates a platform for securing loans devoid of administrative bottlenecks associated with commercial banks. The study, therefore, examines microfinance bank services and SMEs' survival in North-Central Nigeria. Data were elicited from 370 respondents who were selected using a 4-stage sampling procedure. This was done with the aid of copies of the questionnaire while analysis was achieved using descriptive statistics and ordinary least square regression. Variables that significantly explained the survival of small and medium-scale enterprises among the respondents were: microfinance banking, monitoring and supervision, training and capacity building as well as group formation. Non-financial services of microfinance banks, with special emphasis on the provision of supervision/monitoring, should be improved upon as a way of beefing up the survival rate of SMEs in the region. An attempt should also be made to improve the quality of training and capacity-building services rendered by microfinance banks to exert a positive influence on SMEs' survival.

Keywords: Microfinance Bank, North-Central Nigeria, OLS, Survival and SMEs

Jel Classification Code: G21

1. Introduction

Small and medium enterprises (SMEs) constitute a pillar of most of the economies of the world. SMEs are as crucial as the backbone of the economy of Nigeria not by it's made up of not less than 87 per cent of all business undertakings, but as a result of its contributing to not below 61 per cent of the Gross Domestic Product (GDP) (Effiom & Edet, 2018). Although small in scope, they constitute the most vital business endeavour

in the economy as a result of the fact that when separate effects are summed up, they outstrip those of the bigger business undertakings, and are largely involved in contributing to real gross national products and services (Ariyo, 2005; Asuquo et al., 2018; Asuquo et al., 2020). The social and commercial benefits of small and medium business initiatives cannot be overemphasized. As a result of their extensive geographical spread over large enterprises, they add to improved income sharing. For quite some time, small and medium business concern has been a means of employment generation and the empowerment of Nigeria's citizens. The national guiding principle on micro, small and medium enterprises (MSMEs) made it known that MSMEs engaged 87.9 per cent of the nation's workforce (Fasanya, 2022). As a result of their innovativeness, they were engaged in the employment of our God-endowed resources and also for indigenous wealth creation for social asset creation which later transforms into promoting the country's prosperity through higher efficiency. Undoubtedly, small and medium-scale business concerns have enhanced the standard of existence and a means of guaranteed pension to the vast majority of those who are rural dwellers.

Despite the distinctive role played by SMEs in both advanced and emerging nations of the world, their activities in Nigeria were described to be very low concerning survival (Adeloye, 2012; Yusuf & Dansu, 2013). Eighty (80) per cent of them exited business activities in less than 5 years of existence(Small and Medium Enterprises Development Agency of Nigeria [SMEDAN], 2015).

The low survival rate is ascribed by scholars to a series of issues. According to Komppula (2004) and Akinruwa et al. (2013), SMEs routines were inhibited by two main reasons: in-house influence such as entrepreneur capability, pledge, resources, tactical selection and exterior influence such as contenders, beliefs, technology, infrastructure and administrative procedure. Furthermore, Enugu (2005) listed ten important challenges working against SMEs in Nigeria as reported in descending order of importance: administrative problem(s), inadequate right to the use to finance/capital, infrastructural hitches, inconsistent government course of action and bureaucratic procedure, challenges related to the environment, several duties and charges, inadequate access to up-to-date technology, unhealthy rivalry, promotion linked hitches, as well as inadequate availability of locally sourced inputs. The challenge stated below can be found in the existing literature; the right to use finance/capital continues to be a serious challenge (Ogujiuba et al., 2013). Government and concerned individuals at all cadres in Nigeria have contributed to influencing the advancement of SMEs in the country by bringing in one form of financial empowerment programme or the other, yet, the monetary interventions are seldom observed in the eyes of the public.

Finance is essential to the growth of SMEs. A very vital slit in the nation's industrial developmental course in the recent past has remained the nonexistence of a robust and viable SME subsector, which is due to banks' reluctance to lend to the sector, particularly commercial banks (Afolabi, 2013). Microfinance banks are proposed to provide financial support to SMEs through their intermediation role. Previously, researchers recognized the inadequacy of finance as an intermediation to the performance of SMEs. To discharge their responsibility in the economy, SMEs require sufficient finances in the form of short and long-term loans (Ohachosim et al., 2017).

Adequate funding of SMEs is key to their survival, as research has shown that financial limitation is one of the primary reasons SMEs fail in Nigeria. In line with Osoba (2017), the main determining factor of small and medium enterprise growth in developing countries is their financing muscle. There is no reservation that adequate and optimum financing would improve the performance of SMEs. The inadequacy of funds in these businesses has the likelihood to cripple their operations. Inadequate funding of SMEs generates obstructions to their ability to contribute to economic growth and development. The right-to-use fund was rated as the second most problematic task for SMEs in Nigeria (Onugu, 2015). Because of the supposed insecurity of SMEs, commercial banks are frequently doubtful to lend to them. The existence of micro-finance institutions creates a platform for securing loans devoid of administrative bottlenecks associated with commercial banks. Therefore, this study seeks to examine micro-finance bank services and the survival of small and medium-scale enterprises in North-Central Nigeria. Adeoti (2015) carried out similar research work in the Irepodun local government area of Kwara state using frequency distribution and analysis of variance. This study was conducted in north-central Nigeria using an ordinary least square regression model to determine those micro financial bank services that enhance the survival of SMEs. These are some of the gaps the study is out to fill. The study will apart from contributing to academic literature, be useful to policymakers, micro-financial banks and SME owners.

2.0 Review of Relevant Literature

2.1 Conceptual Review

2.1.1 Microfinance Bank

Microfinance is believed to be the delivery of an extensive array of services related to finance such as deposit, savings, insurance, credit and payment services to the deprived and meagre-income households that were debarred from orthodox pecuniary services for the nonexistence of security in addition to non-financial services (Al-Shami et al., 2014; Gyimah&Boachie,2018). Products or services rendered by microfinance include but are not limited to a microloan, microfinance, micro-insurance and provision of academic teaching to SMEs. Some of the challenges confronting microfinance include the high cost of operation, repayment problems, credit staff insufficient exposure, problem of illiteracy, among others.

2.1.2 SMEs

SMEs are defined concerning their characteristics which include the amount of invested funds, the number of workers engaged, the amount of capital generated (turnover), style of management, firm location and share of the market they exercise control over (Wairimu & Mwilaria, 2017). Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2017), defined Micro Enterprises as enterprises with the value of their assets (apart from land and buildings) below ten (N10) million, and not more than ten (10) personnel. Small Enterprises are enterprises whose assets value (apart from land and building) ranges between ten (N10)million and one hundred (N100) million, having employees of greater than ten (10), but less than forty-nine(49), whereas medium enterprises are those with assets value (exclusive of land and building) that range between fifty (N50) million and one (N1) billion having staff strength of between

fifty (50) to one hundred and ninety-nine (199). Universally, SMEs have been recognized for their foremost part played in stimulating economic growth at the grass root level and for development that is sustainable (Wairimu & Mwilaria, 2017). An energetic micro, small and medium enterprise (MSME) subdivision is crucial to poverty reduction and economic growth, especially in sub-Sahara Africa (Chetama et al., 2016). Small businesses provide a device for motivating local enterprises, creating job opportunities and helping in the development of indigenous technology in many countries. They were recognized as being the backbone of growth in the economy and the advocate of impartial development (Dikko, 2017) They generate employment to a meaningful extent, which assists the government in revenue generation from levies diverted to development projects (Haider et al., 2017). SMEs' role in the development of an economy is such that a nation will only disregard it at her own risk, some of these SMEs' contribution to economic development in developing countries includes capacity building of entrepreneurs, growth promotion as they were involved in activities aimed at local sourcing of raw materials, employment generation, dispersal of industries as they can be located in rural areas, backward and forward linkage, poverty alleviation etc.

2.1.3 SMEs Survival

The fight to survive is not a manmade phenomenon and as developed by Darwin (1959: 106) "survival can be seen as a continuous onslaught against the environment". A natural process, therefore, is for business activities to fight against impending falls or letdowns amid circumstantial resentment. In the course of this, they set up varied approaches to achieve modest benefits. Oddly, such approaches might not have offered the best way out of the crisis, as business scholars have explained the outdated business methods as unsuitable in this situation. Smallbone et al. (2009) opined that no single best approach ensures business survival or victory and that adaptation and performance of firms are dependent upon such factors of an organization such as available inputs and stimuli from outside, which includes- labour, produce, as well as money market situation. Nguyen and Kock (2011), in their view, advocated the necessity for a novel viewpoint that would boost the understanding of the way firms survive in stormy situations. Nonetheless, the dissimilarity that exists between survival and extermination is more about restraint versus surplus; and adaptation versus inflexibility. Nonetheless, in the past few years, numerous hitches have been recognized to prevent the growth and survival of several small and medium-scale enterprises (SMEs). This has efficiently prevented their influence on the economic growth of the country. Inadequacy of a favourable and supporting macroeconomic policy environment among other challenges remains the shortcoming to the survival, development and growth.

2.2 Theoretical Review

2.2.1 Theory of Financial Intermediation

Financial intermediation is defined as the procedure where excess units (savers) offer money using deposits, to mediators (financial institutions)such as banks, credit unions, shared funds and insurance companies who thereafter channel out the money to shortage units (spenders or borrowers) (Saunders & Cornett, 2011). The theory,

therefore, implies the movement of credit from individuals/bodies with excess to individuals/bodies with shortage through financial mediators (Andries, 2009). The theory can therefore be described to mean the financial institutions dedicated to the purchase and sale of the fund. Gorton and Winton (2003) describe it as follows: - financial intermediaries make a request from entities with the surplus fund to release to those entities who are deficient in it. The diversification of each side of the balance sheet is been enhanced by the large nature of both the borrowing and lending groups, and the entitlements issued to the two parties involved contain diverse state conditional payoffs. The theory has its root in the works of Gurley and Shaw (1955) and is concerned with the theory of information asymmetry as well as agency theory. These theories which were built on a framework of allocation of resources are based on perfect markets and it is the cost of transaction and information asymmetric that are significant in the understanding of the theory (Allen & Santomero, 1998). The theory brings to limelight functions of financial intermediaries such as liquidity provision, costs of transaction reduction, provision of information and management of debt (Andries, 2009). Financial intermediaries bring together the "haves" and the" have not" to meet their transaction needs and provide other services and by so doing, the transaction costs are reduced while information costs are eliminated. SMEs' dealings with financial institutions can henceforth be summarized from the duties performed by the financial institutions as financial intermediaries. SMEs can either be depositors or borrowers or a combination of the two and are duty bound to receive, from the financial institutions, such services as transactions services, liquidity provision, financial consultancy, analysis and evaluation of assets, issuance of financial assets, loan granting, monitoring services, risk management, insurance services, and others (Diamond & Dybvig, 1986; Allen & Santomero, 1998; Andries, 2009).

The theory is relevant to this study as a result of its discovery of an entity (microfinance banks), which serves as an intermediary between units that have idle funds to put in savings and SME owners who need credit to improve their business activities for better performance (survival). This implies that microfinance banks serve as intermediaries between an individual, group of individuals, or organization who have more than enough to deposit in the bank for a certain period and the SMEs that require the fund to channel into their business for an agreed period.

2.3 Empirical Review

Fatogun (2022) examined the impact of financial (credit facility) and non-financial services (education) rendered by microfinance banks on the survival of SMEs using Federal Polytechnic, Ilaro microfinance bank as a case study. The study collected primary data from ninety-nine (99) respondents using a questionnaire, while data analyses were carried out by employing a linear regression model. Results revealed that the provision of financial and non-financial services by microfinance banks exerts a positive and significant relationship at 1% on SMEs' survivals. The study, therefore, concludes that the provision of financial and non-financial services by microfinance banks promotes the growth and survival of SMEs.

Ochi et al. (2022) evaluated the effect of overtax strategy on the survival of Small and Medium Enterprises (SMEs) in Cross River State, Nigeria. With the objectives of determining the relationship between overtax assessment, collection and utilization as well as the survival of SMEs in the study area, cross-sectional data were collected from 240 employees of some selected SMEs. Data analysis was carried out using linear regression analysis and sample t-test. Results showed that a significant though negative relationship exists between overtax strategy and the survival of SMEs. Overtax assessment, overtax collection and overtax utilization significantly influence the survival of SMEs in Cross River State, Nigeria although in an unfavourable way.

Audu et al. (2021) examined the effect of microfinance institutions (MFIs) services on the performance of small and medium-scale enterprises (SMEs) in Gombe State, Nigeria. Primary data were collected from a sample of 360 SMEs in the study area with the aid of a structured questionnaire. Collected data were analyzed using a regression model. The findings of the study showed that services rendered by microfinance institutions (microloans, micro-savings, and training) have a positive and significant influence on SMEs' performance (sales growth, profitability and market share).

Abdulmajeed et al. (2019) examined the effect of microfinance banks' services (financial and non-financial) on SMEs' performance (Sales volume) in the Ilorin metropolis of Kwara State. The population comprised all SMEs in the Ilorin metropolis. Data for the study were obtained from 113 operators of registered SMEs in the study area. Data analyses were achieved with a combination of descriptive statistics (mean, variance and standard deviation) as well as inferential statistics (ordered probit regression model). Results revealed that credit access and managerial training exert a positive and significant effect on sales volume while interest rate and advisory service exert a negative but significant effect on sales volume. The study concluded that MFBs positively contributed to SMEs' sales volume in the Ilorin metropolis.

Micah et al. (2019)examined the approaches to survival as well as growth concerning small and medium-scale enterprises (SMEs) in a developing economy using some selected SMEs in Abuja as a case study. Data analysis was carried out using the Ordinary least square (OLS) regression method, while a test of hypotheses was conducted with the aid of a t-test. Findings from the study revealed ideas/innovation as a variable that exerted a significant effect on the profit margin of SMEs for the past years. It also showed that the adoption of a modern method of production had increased their revenue generations.

Nwankwo & Kanyangale(2019) investigated the effect of Market Orientation (MO) on the survival of manufacturing SMEs in Nigeria. They selected 387 owners/managers of manufacturing SMEs in Nigeria using a random sampling approach. Data analysis was carried out using a structural equation model (SEM). The results revealed that MO made a significant contribution to the survival of SMEs in the country.

Kehinde et al. (2017) investigated enterprise risk management and the survival of small-scale businesses in Nigeria. For the study, secondary data were obtained from journals

and other publications. Data analysis and hypothesis testing were carried out using Ordinary Least Squares (OLS) regression. Results revealed a positive and significant relationship between effective risk management and profitability that accrued to the sampled SMEs.

Wairimu and Mwilaria (2017) examined the role of the social intermediation services offered by MFIs on the survival of MSEs in Thika Town of Kenya. Data were sourced from 225 SMEs using a combination of stratified and purposive sampling techniques, while data analyses were carried out using Pearson's product-moment correlation test. Results revealed a positive and significant relation between MSEs' survival and microfinance participation, training, group liability and networking. The study concludes that MFIs' provision of social intermediation services to MSEs helps to boost their survival hence reducing unemployment and poverty.

Adeoti et al. (2015) assessed the effect of microfinance credit vis-à-vis the survival of small- and medium-scale businesses in Irepodun Local Government Area (LGA) of Kwara State, Nigeria. Samples (300) for the study were drawn from owners of SMEs who are customers of Omu-Aran Micro-Finance and Iludun-Oro Micro-Finance banks (two functional microfinance banks in the LGA). The test of the hypothesis was carried out using Analysis of Variance (ANOVA). Findings from the study revealed that microfinance banks made a significant contribution to the survival of small- and medium-scale enterprises in the study area.

Babajide (2011) examined the impact of microfinance on micro and small business survival in Nigeria. Data for the study were sourced from 502 entrepreneurs (primary) who are customers of 106 microfinance banks using random sampling as well as data from the client's record (secondary source). Obtained data were analysed using Kaplan Meier and Cox regression analysis. Findings revealed that microfinancing enhances the survival of micro and small enterprises (MSEs) though most of them remain at the survival level of the business cycle. For enterprises in Nigeria just like any other part of the world to survive, they require financing on a sustainable basis.

3.0 Methodology

3.1 The Study Area

The study was executed in North-Central Nigeria. The zone which serves as an entryway linking the northern and the southern zones of the country comprises Plateau, Benue, Kwara, Kogi, Nassarawa, Niger states and the Federal Capital Territory (FCT) (Manyong et al., 2001). National Population Commission (NPC, 20006) put the zone population at a likely figure of 20,266,257. The zone is located between latitude 11^0 07^1 and 13^0 22^1 north and longitude 06^0 52^1 and 09^0 22^1 east of the Greenwich Meridian. Two distinct seasons experienced in the zone in a year are – the wet season starting in May and ending in September/October and a dry spell spanning between October and May. The temperature during the wet season varies from 27^0C to 34^0C (maximum) and 18^0 C to 21^0 C (minimum), while the dry season ranges between 16^0C- 37^0C. Sandy loam and clay loam textured types of soil characterized the zone (Norman et al., 1982). Inhabitants of

the zone were known for agri-business, statue, knitting, colouring, artefact and blacksmithing.

3.2 Source of Data

Primary data were collected with the aid of a structured questionnaire from some selected respondents to achieve the objective of the study. Data collected includes respondents' biodata, financial services of MFBs and Non-financial services of MFBs.

3.3 Sampling Technique

The sampling frame comprised SMEs (1,159,017) that were registered with microfinance banks in the study area on whom copies of the questionnaire were administered for data collection (Yahaya, 2020). A four-stage data collection procedure was adopted for the study. The first stage is the purposive selection of Kwara and Niger states from the zone, as they have the highest (367,891) and second highest (252,584) concentration of SMEs, respectively in the zone. The next stage was the purposive selection of four and six local government areas (LGAs) from Kwara and Niger states, respectively, based on probability proportional to the number of LGAs in each of the states. The next stage which is the third stage was the purposive selection of twenty (20) villages from each of the states, with the number of villages selected from each LGA proportionate to the number of villages in each LGAs. The last stage was the random and proportionate selection of the two hundred (200) SMEs from the selected villages in each of the states using the Yamane (2004) formula. A total of 400 copies of the questionnaire were administered with only three hundred and seventy (370) copies retrieved with valid and correct data that was used for the analysis.

3.4 Method of Data Analyses

The method of data analysis includes inferential statistics (test for multicollinearity and ordinary least square regression).

3.4.1 Test for Multicollinearity and Goodness of the Model

This study checked for the degree of multicollinearity among the hypothesised explanatory variables before estimating the model. For this study, Variance Inflation Factor (VIF) and Tolerance Level (TOL) were used in line with Yahaya (2020).

3.4.2 Ordinary Least Square Regression

Ordinary least square regression is a statistical analysis that was employed to measure the relationship between the regress and the regressors as shown in equation 1 below. In this study, ordinary least square regression analysis was carried out to examine the effect of MFBs' financial and non-financial services on the survival of SMEs. The independent variables used in this study were in line with Adeoti et al. (2015); AbdMajeed et al. (2019); Yahaya, (2020); & Auduet al. (2021),the model is specified as

$$SURVi = f(AGEi, GENi, EDUi, HHZi, MBSi, EBSi, RTBSi, SUPi, ADVi, TRNi, GRMi) \ldots (1)$$

Equation 1 can be expressed in structural form as

$SURV_i = \beta o + \beta_1 AGE_i + \beta_2 GEN_i + \beta_3 EDU_i + \beta_4 HHZ_i + \beta_5 MBS_i + \beta_6 EBS_i + \beta_7 RTBS_i + \beta_8 SUP_i + \beta_9 ADV_i + \beta_{10} TRN_i + \beta_{11} GRM_i + \mu$ ……(2)

where:
SURV is the Survival of small and medium-scale enterprises (Principal Component Analysis PCA score)
AGE = Respondents' age in years
GEN = Respondent gender (equal 1 if male and 0 if otherwise)
EDU = Educational qualification of the respondent (No formal education =0, Primary =1, Secondary = 2, OND/NCE = 3, HND/Bachelor Degree=4, Postgraduate =5, Others = 6)
HHZ = Household size in number
MBS = Microfinance banking services (PCA score)
EBS = Electronic banking services (PCA score)
RTBS = Retail and treasury banking services (PCA score)
SUP = Regular supervision and monitoring (PCA score)
ADS = Advisory services (PCA score)
TRN = Training and capacity building services (PCA score)
GRM = Group formation (PCA score)
μ= Disturbance term (i.e. unobservable factors of each SME)

4.0Presentation of Results and Discussion of Findings

4.1 Test for the Presence of Multicollinearity Among Regressors Used in the Analysis

Table 1 presents the result of a test for the existence of multicollinearity among the explanatory variables used in the analysis. The multicollinearity issue as revealed in the result indicates that the threshold level which is the 10th point mark for VIF and above 0.1 points for TOL has not been exceeded, hence the data set could be tolerated for all the regressors in the model which implies that none of these explanatory variables is a linear combination of the other.

Table 1: Test for the Degree of Multicollinearity among the Regressors used in the Regression Analysis

Variables	**Variance Inflation Factor**	**Tolerance Level**
Age	1.46	0.686057
Sex	1.32	0.754984
Education	1.19	0.838201
Household Size	1.1	0.908386
Microfinance Banking	1.09	0.914058
Electronic Banking	1.06	0.946024
Retail & Treasury Banking	1.03	0.970511
Supervision	1.03	0.970932

Advisory services	1.03	0.97149
Training and capacity building	1.02	0.982513
Group formation	1.01	0.994881
Mean VIF	1.12	

Source: Author's Computation, 2019.

4.2 Nexus between Microfinance Bank Services and Survival of Small and Medium Enterprises

This section presents the OLS regression model result of the nexus between MFBs' financial and non-financial services on SMEs' survival in the study area. The result as presented in Table 2has an R-squared value of 0.982, which depicts that 98.2 per cent of changes in SMEs' survival were explained by MFBs' financial and non-financial services. This indicates that the explanatory power of the model was very high. Also, the reported F-statistic shows a value of 1401.65, with a p-value of 0.000. This indicates that the F-statistic was highly significant, implying that the overall model is significant and of good fit.

Table 2: OLS Regression Result for SMEs Survival Model

Variables	**Coefficient**	**Robust Std. Err.**	**t**	**p-value**
Age	0.011911	0.030285	0.39	0.694
Gender	0.206756	0.278348	0.74	0.458
Education	0.04317	0.1027	0.42	0.674
Household Size	0.02787	0.026329	1.06	0.291
Microfinance Banking	-0.02132	0.012645	-1.69*	0.093
Electronic Banking	0.005843	0.009781	0.6	0.551
Retail & Treasury Banking	-0.0306	0.019559	-1.56	0.119
Supervision	0.025748	0.009919	2.6***	0.01
Advisory Services	-0.00539	0.009712	-0.55	0.58
Training and capacity building	0.540747	0.29461	1.84*	0.067
Group Formation	-1.33495	0.516339	-2.59***	0.01

Constant	-0.75933	0.762933	-1	0.32
R-squared 0.982				
F-statistics	1401.65		0.000	

Source: Computed from 2019 Survey Data.
Significant at ***1%, *10%

As shown in Table 2, four (4) out of eleven (11) hypothesized independent variables (microfinance banking, monitoring and supervision, training and capacity building as well as group formation) were the significant variables at different levels of significance explaining the SMEs' survival. This implies that only one (1) microfinance bank service (microfinance banking) and three (3) non-microfinance bank services (monitoring and supervision, training and capacity building as well as group formation) were the significant variables. None of the owners' socio-economic characteristics which include age, gender, level of education and household size was significant. MFBs' financial services such as electronic and retail and treasury banking services, as well as MFBs' non-financial services such as advisory services, were not significant. This means that owner's characteristics which include age, gender, education and household size, MFBs' financial services such as electronic and retail and treasury banking services, as well as MFBs' non-financial services such as advisory services do not contribute to SMEs' survival.

The coefficient of monitoring and supervision was positive and significant at 0.01. The positive coefficient of MFBs monitoring and supervision (0.0257478) means that a point increase in the level of monitoring and supervision of MFBs on SMEs will lead to an increase in SMEs' survival by approximately 0.03 points. The positive and significant coefficient of monitoring and supervision is in tandem with Yahaya (2020). In the same vein, the coefficients of training and capacity building were positive and significant at 0.1. The positive coefficient of MFBs training and capacity building programmes (0.5407467) means that a point increase in the number of MFBs training and capacity building programmes for SMEs will lead to an increase in SMEs' survival by approximately 0.54 points. The positive and significant coefficient is in line with AbdMajeed et al. (2019), Auduet al. (2021) &Fatogun, (2022). On the contrary, the coefficient of MFBs microfinance banking (0.0213153) was negative but significant, indicating that a point increase in the level of MFBs microfinance banking for SMEs will bring about a decline/reduction in SMEs' survival by approximately 0.021 points. The result disagrees with the findings of Adeoti et al. (2015), Babajide, (2011), as well as Wairimu & Mwilaria (2017) who reported a significant contribution of microfinance banking to SMEs' survival in their respective study areas. The coefficient of group formation was negative but significant.

The negative coefficient (-1.33495) concerning group formation indicates that a point increase in the number of the group formed brings about a reduction in SMEs survival by -1.33.

5. Conclusion and Recommendations

The conclusion drawn from the findings was that both financial and non-financial services were the drivers of SMEs' survival in the study area. Attempt to improve the service delivery of such, as the provision of necessary monitoring and supervision, training and capacity building as well as reducing the provision of microfinance banking and group formation to SMEs will go a long way in bringing an improvement to the level of SMEs' survival.

From the findings, it was revealed that one of the MFBs' financial services affects SMEs' survival while three of the non-financial services influenced it. The study recommends that policies that will bring about improved access to non-financial services of microfinance banks, particularly, those related to the provision of monitoring and supervision, training and capacity building should be put in place in an attempt to further boost the chances of survival of SMEs in the region. An attempt should also be made to improve the quality of electronic banking services rendered by microfinance banks as this might bring about better survival of SMEs.

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