

## **OVERVIEW OF THE STUDY**

In Nigeria, it can be said that the activity of the stabilize banking in the rural area is such that the branches were beguiled by the rules, traditions and policies of the headquarters. But relative to the commercial bank, community bank were opened in the rural area to meet the financial needs of the occupants by mobilizing their resources into current and saving account. This in turn within the resources of the banking institution can concerned with the cr3eatrion of credit for the rural dwellers for the purpose of increasing their production activity either as individual or a group of industrialist, farmers or o-operative society, the Nigeria banking system, its operation, location service in pre – 1977 were concentrated in the urban areas of the country and this brought the concentration of economic activity on the urban areas at the detriment of the rural communities. However, the reason for establishing banks in the rural area was because of lack infrastructures facilities in the rural areas, low level of economic activity. The colonial policy of establishing banks in the urban areas where economic activity has been in existence, the preference of the bank worker to work in the urban areas where faculty and comfortable living are available. In the attempt to correct the abnormal banking system, the (CBN) central bank of Nigeria in 1978 introduced the rural banking scheme (the Nigeria 1987 by Herbte O. Orji 1979) the first bank to establish its bank branches in he rural area, that have potential capability for contribution to the Nigerians economic development. It involves the establishments of new bank branches of new and existing bank in the rural areas of the country and the provision of the banking service to the rural communities that has developed

and show rural characteristics.

By this the central bank of Nigeria will have to determine the situation where the rural community which have a population of at least not less than (500) five hundred people and an establish economic and social institution such local industries adequate on the local market, hospitals, schools and other private and government institution.

**The scheme was phased into four;**

The first phase was to establish 200 banks between 1977 and 1980. However the phase ended up in archiving only twelve braches

**C.B.N bulletined January/ march 1987, Page. 29**

The second phase which stated in 1981 with 266 bank branches to be opened but 258 chess bank were actually spend during that period. The third phase also commence in 1954 with the total branches of 300 to be opened. The number of the commercial bank branches opened in 1988 under this phase of the programme increase from 72 to 144. Also during this period under the review one more branched were opened on the second phase bridging the number to 258. Consequently the total number of banks establishes under the rural banking programme raise from 72 to 602 in 1988. Similarly the number of urban bank increases by 124 in 1988 bringing the number of the total branches to 1101. The fourth phase of rural banking is about to set in motion but ther4 has been nice tiding of the implementation.

According to business time Monday 9<sup>th</sup> April (1990) the united bank of Africa has made a proposal for the scrap [ping of the fourth phase of the rural banking programme of the government, instead they adopted for the establishment of more urban banks branches which has a little promise of more economic development. The augment on the line is the rural banking

scheme program to support bankable project, economic project and economic activity whereas the banking in urban still has a lot of untapped resources that can be mobilized through a deliberate programme of increased urbane banking braches.

The managing director U.B.A Allahaji Sulaiman Baffa emphasis that bank has reach the limit's in setting up the rural banking program only to discover that this prospect where lean and stretched far between. As a result of this community bank were established.

The community as a financial institution established to cater for the saving the credit need of the small-scale producers. The shareholders are normally the customers. They have a share capital of 250,000.00 and only one tenth of the amount is guaranteed to the customers as a loan. The decree establishing this bank has promulgated in the in 1990 and the bank has a board hat laid out policies and did the managers head a management. The policies are guided by the decree of the 1990. The works of the community bank are numerous.

## STATEMENT OF PROBLEM

Nigeria is highly under banked. The central bank of Nigeria introduced that rural banking scheme (RBS) in 1977 with the three phase of calendar of 1977 – 1980 – 1985 and 1985 – 1987. In 1985 24 commercial bank and twelve merchant banks were to serve a projected of population of one million. This nears 80,000 persons to one banking office or 30,000 persons. The inadequacy of banking facility in Nigeria become growing.. The existing bank office are concentrated n the urban and the commercial centers. Because the bulk of the population is in line in this areas. The essence of banking institution in this rural both of the country at large. Therefore there is need to extend the banking service to this areas. Unfortunately however, the

commercial bank seems virtually to have return into these rural areas perhaps with good reasons.

The purpose of this study is found out what problem associated with Ekulu community bank in Enugu state of Nigeria and based on the analysis finding to show how banking in the rural areas can be improved. Such problem could be formed in the following questions

Are community bank been adequately funded by the federal government

Dose the community bank has a qualify manpower

## OBJECTIVE OF THE STUDY

The objective of the study is to investigate into the achievement of Ekulu community bank in Enugu state as well as the problem that has been militating against their efficiency since the inception of the community banking in Enugu state. Specifically, the researcher intends to archive the following objectives;

(a) To identify he achievement of the community bank in Enugu state with regard to grating of credit, mobilization of savings and inculcation of banking habit in the inhabitant of the various community.

(b) To identify problem militating against the adoption of the desired banking habits by the various community in Enugu state.

(c) To find out the problem militating against the efficiency of service of the community bank in Enugu.

(d) To find ways/means of improving on the service of the community bank so as to ensure the survival through efficient service and customers patronage]

## RESEARCH QUESTIONS

A set of well-structured questions was administered on the staff of Ekulu community bank, which is in the area.

The questions are as follows;

1. one of the objective of establishing the community bank by the federal government is to promote the rural development by providing financial and banking service as well as other facilities to community that has inadequate supply with such facilities, to which extent has your bank gone in archiving such objectives.
2. What are the achievement f Ekulu community bank in your locality with regard to granting of credit, mobilization of saving and inculcation of saving habits in the inhabitants of the community?
3. What are he problem militating against the desired adoption go the banking system and service and what are the problem affective the service rendered by Ekulu community banks in Enugu state?
4. Enumerate the way/means of solving the problems in the community of the mentioned areas particularly with respect to this
  - (a) Problem associated with control by the influential people
  - (b) Dependency on the suspending banks
  - (c) Transfer of fund
  - (d) Unqualified staff
  - (e) Lack of training and poor motivation.
5. What are the other problem apart form the above which you have identify and the proper way of solving so as to ensure the survival and the success of Ekulu community bank and also as a unit bank, what do you observed as problem which affects the progress of the bank?
6. What is the effort made to ensure wide publicity of service rendered by the community banks?

## FORMULATION OF HYPOTHESIS

In order to ensure indept analysis of the data collected to purpose as well

steam line guide toward the data analysis, the researcher formulated the following hypothesis

**Null hypothesis:**

Ekulu community bank has made a remarkable achievement in its area of operation

**Alternative hypothesis:**

Ekulu community bank has made no remarkable achievement in its area of operation.

**Null hypothesis Ho:**

There are problem militating against the progress of Ekulu community bank in Enugu state

**Alternative hypothesis Ha:**

There are no problem militating against the efficiency of the Ekulu community bank in Enugu state

**SIGNIFICANCE OF THE STUDY**

As this research project is intended to be fact finding and problem solving, the project recommendation if adopted will sensitized the inhabitants of the various community in the state toward adopting a healthy banking habits so as to partroniously and effectively help this community bank within the domicile.

Also the recommendation will be helpful in giving an insight into the ways of solving the problems with varicose means of improving the service offered by the community banks so as to ensure the continued survival and success through their customers in their patronage. This is because according to Zober, the benefit will be improve banking service in each level of the community and accerelleted development in the country

**SCOPE OF THE STUDY**

The researcher project is design to be carried out in five phase and consequently presented in five chapters. Chapter one is introducing the topic which a little details. It dealt with the overview of the study, statement of the proems, research objective, research questions and hypothesis. Also his chapter dealt on the significant of the study as the definition of the various terms and observation used by the researcher.

Chapter two is the literature review where the researcher presented very little of her opinion and extensively review the work, contributions and records of various aspect and professional in the field of the study been researched.

The third chapter is where the researcher has explained detailed of how he carried out the research particularly with regard to the population sampling, source of data, data collection and location and data, questionnaire design and methodology.

Chapter four deals with the data analysis and presentation. Chapter five is where the researcher presented the summary of the findings, discussion of the findings as well co-recommendation for the improvement. In this chapter, the researcher made certain suggestion and recommendation for the future.

### **LIMITATION OF THE STUDY**

This research is limited to only Ekulu community bank in Enugu state. This is due to the research time and financial constraint, furthermore, the socio-economic environment of this community bank are not exactly alike all over the country. This fact thus pose a limitation to the general ability of the findings and recommendation made in this research work.. This limitation not withstanding, the research recommendation of this research is very vital to the effective community banking service and to the survival and success

of the community banking in the country. Where that this community banks has similar characteristic and operate under similar code of conduct, the research in her literature review did not delimit it to contribution from Enugu state but expanded her literature review to involve all experts and professional all over the country.

## DEFINITION OF TERMS

Some terms have been define as to make this work more meaningful

**Banking;** a bank can be simply defined as a financial institution where money and other valuable item such as gold, examination question paper, certificate etc are kept. The definition narrow down the numerous economic and social functions performed by the bank. Today banks perform such vital function such as accepting of deposit from the customers, discounting the bill of exchanges, grating loan and advance, giving advice to the customers, loan syndication, issue of latter of credit, financing a development project, act as a suretee and executor of wills. It should be noted that function on the level of development of a giving society

**Community banking:** community bank is a financial institution established to cater for the credit needs of small-scale producers through out the country. It differs from a conventional commercial bank in many respect for example, it dose not undertake any literal business transaction and must be affiliated to conventional commercial bank which serve as a correspondent bank to the community bank. Some of the function includes the acceptance of all type of deposit act as an agent to take care of their customers. They give money as loan and hold more catalyst as an agent of development in the rural area through collaboration with the local government authority. Community development association's co-operative



society and non-governmental organization. Also community bank assist the rural and urban poor to be more productive, increase the income and the output of small-scale producers and transfer subsistence economic activity into commercial ones. They also sell and issue draft to their customers.

**Community development association (CDA):** the term community development association as used in the project refer to such community organization as town union or districts association or similar bodies that represent the traditional apex organization for the planning and detecting development activities within the country.

**National board of community banks (NBCB):** the federal government under the decree 40 of 1990 has established the national board for community banks. The board was officially unregulated on Tuesday 16 July 1991. The primary objective of establishing the board is to promote, monitor and supervise generally the operation of the community banks in compliance with the operational guideline stipulated by the policies and direct generally the operating of the community banking system. It arranges, co-ordinates and facilitates adequate training for the personnel of the community banks. NBCB overseas the activity of the community banks and reports this to the central bank of Nigeria (CBN) which is the apex bank in charge of all the financial institution in the country

## **COMMUNITY BANKING PROBLEMS AND PROSPECTS (A CASE STUDY OF EKULU COMMUNITY BANK IN ENUGU STATE)**

The complete project material is available and ready for download. All what you need to do is to order for the complete material. The price for the material is NGN 3,000.00.

Make payment via bank transfer to Bank: Guaranteed Trust Bank, Account name: Emi-Aware

**technology, Account Number: 0424875728**

**Bank: Zenith Bank, Account name: Emi-Aware technology, Account Number: 1222004869**

**or visit the website and pay online. For more info: Visit <https://researchcub.info/payment-instruct.html>**

**After payment send your depositor's name, amount paid, project topic, email address or your phone number (in which instructions will sent to you to download the material) to +234 70 6329 8784 via text message/ whatsapp or Email address: [info@allprojectmaterials.com](mailto:info@allprojectmaterials.com).**

**Once payment is confirmed, the material will be sent to you immediately.**

**It takes 5min to 30min to confirm and send the material to you.**

**For more project topics and materials visit: <https://researchcub.info/> or For enquiries: [info@allprojectmaterials.com](mailto:info@allprojectmaterials.com) or call/whatsapp: +234 70 6329 8784**

**Regards!!!**