

Financial Inclusion and Financial Performance of Listed Deposit Money Banks in Nigeria

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**Being a MSc Thesis Submitted to the Department of Management & Accounting,
Faculty of Management & Social Science, Lead City University, Ibadan, Oyo State,
Nigeria**

**In Partial Fulfillment of the Requirement for the Award of Master of Science
Degree (MSc) Degree in Finance**

2023

Certification

This is to certify that this thesis entitled “**Financial Inclusion and Financial Performance of Listed Deposit Money Banks on Nigeria.**” was carried out by **Adewale Moses ADEYEMI** with Matric No: **LCU/PG/001801** in the Department of Management & Accounting, under my thorough supervision in the Faculty of Management & Social Science, Lead City University, Ibadan, Oyo State, Nigeria and that this work had not been previously submitted.

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Dedication

This thesis is dedicated to God Almighty.

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Acknowledgement

I give all praise and adoration to God Almighty for guiding me through the course of study in this noble university, Lead City University, Ibadan. I wish to express my profound gratitude to Lead City University, Ibadan, Nigeria for the opportunity given me to undergo this degree. I appreciate the Vice-Chancellor of the University, Professor K.A. Adeyemo, Provost, Postgraduate College, Prof. Oredein, Heads of Departments, Lecturers and other non-academic staff members of the University.

The unquantifiable contribution of my supervisor, Prof. G.E. Oyedokun, who created an enabling supervision environment towards the completion of this thesis, can never be ignored. He motivated me and helped by mentoring and coaching me throughout this entire process. My sincere appreciation is extended to the Head of Department Dr. T. M. Akinbo and Postgraduate College Coordinator Dr. F.D. Igbadumhe, Management and Accounting, and other lecturers in the Department; Dr. K. Longe, Dr. C. T. Jegede, Dr. J. A. Adejuwon, Dr. O. O. Adepoju, Dr. O. O. Olaleye, Dr. L. A. Balogun, Dr. Fatoki, Dr. S. A. Babarinde, Dr. B. S. Adeleke, Dr. O. J. Oladejo, Dr. O. T. Oreagba, Mr. M. Ayilara, Mr. A. Taiwo, Mrs. E. I. Aina, Mr. O. I. Ibikunle, Mr. A. I. Olateju, Mrs. D. Oloyede, Mr. A. Adewumi, Mr. F. B. Adedokun, Mr. A. Fatoberu and Miss. K. O. Adejuwon for their impactful contributions and objective critics of my thesis.

I sincerely appreciate late my parents, Mr. & Mrs. Adeyemi (Sangodina), my siblings and my wife Mrs. Adeyemi Celestina Funmilayo for her cooperation and support. My appreciation goes to my course mates and every other person that made this research work a success.

“Even though the above institutions and persons have assisted in the process of this research work, I alone stand responsible for the errors, if any found in this work”.

Abstract

This study investigated the relationship between financial inclusion and financial performance of deposit money banks in Nigeria. The specific objectives were to examine the impact of rural financing on the financial performance of Deposit Money Banks (DMBs) in Nigeria; investigate the influence of pricing of banking services on the financial performance of Deposit Money Banks in Nigeria; assess how Small and Medium-sized Enterprises' (SMEs) financing affects the financial performance (FP) of Deposit Money Banks in Nigeria. The study employed ex-post facto and correlation research design with secondary data obtained from the Central Bank of Nigeria 2020 statistical bulletin and financial institutions of deposit money banks. The results indicated a positive and significant relationship between loans to customers, deposits by customers, bank branches, mobile banking and agency banking on return on assets of deposit money banks. The study concluded that financial inclusion positively influences the level of financial performance of deposit money banks. On the basis of the conclusion, the paper recommended amongst others that the Central Bank of Nigeria (CBN) should redefine the Loan Accessibility supply as a tool for monetary policy by establishing an equilibrium level. In addition, the study also recommends that the Interest Rate has a negative effect on the performance of deposit money banks, there is an urgent need for the government to impose restrictions on the cross-border flow of capital and also to make use of the relevant macroeconomic management tools to control Loan Accessibility in times of crisis in order to mitigate the effects of Interest Rate on the profitability of deposit money banks. This is because there is an urgent need for the government to do so because the Interest Rate has a negative effect on the financial performance of deposit money banks in the country.

Keywords: Deposit, Loans, Agency banking, Mobile banking, Return on assets, Financial Inclusion and Performance.

Word Count: 293

Table of Contents

Content	Page
Title Page	i
Certification	ii
Dedication	iii
Acknowledgement	iv
Abstract	v
Table of Contents	vi
List of Tables	ix
List of Figures	x
List of Acronyms	xi
Chapter One: Introduction	
1.1 Background to the Study	1
1.2 Statement of the Problem	3
1.3 Aim & Objectives of the Study	5
1.4 Research Questions	6
1.5 Hypotheses	6
1.6 Significance of the Study	7
1.7 Scope of the Study	8
1.8 Limitation of the Study	9
1.9 Operational Definition of Terms	9
Endnotes	11

Chapter Two: Literature Review

2.1	Conceptual Review	13
2.1.1	Nigerian Banking Industry	13
2.1.2	Financial Inclusion	15
2.1.3	Financial Exclusion and Inclusion	20
2.1.4	Deposit Money Banks Performance	25
2.1.5	Factors Affecting Bank Performance in Nigeria	34
2.1.6	Regulatory and Supervisory Measures	44
2.2	Theoretical Framework	46
2.2.1	The McKinnon/Shaw Theory (Theory of Financial Liberalization)	46
2.2.2	Supply Lending Hypothesis	51
2.2.3	Financial Intermediation Theory	53
2.3	Review of Empirical Studies	58
2.3.1	Rural Financing and Deposit Money Banks Performance in Nigeria	58
2.3.2	Pricing of Banking Services and Deposit Money Banks Performance in Nigeria	65
2.3.3	Small and Medium-Sized Enterprises (SMSE) and the effect of SMSE Financing on Deposit Money Banks Performance	79
2.4	Conceptual Model	94
2.5	Summary of Gap in Literature Reviewed	94
	Endnotes	96

Chapter Three: Methodology

3.1	Research Design	117
-----	-----------------	-----

3.2	Sources of Data	117
3.3	Model Specification	117
3.4	Description of the Variables	119
3.5	Method of Data Analysis	120

Chapter Four: Results and Discussion of Findings

4.1	Presentation of Data	123
4.2	Test of Hypotheses	131
4.3	Discussion of Findings	136

Endnotes	142
-----------------	-----

Chapter Five: Conclusion

5.1	Summary of Findings	143
5.2	Conclusion	143
5.3	Recommendation	144
5.4	Contribution to Knowledge	145
5.5	Suggestions for Further Studies	146

Bibliography	147
---------------------	-----

Bio-data	160
-----------------	-----

The University Compliance Certification	162
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List of Tables

Table	Title	Page
3.1	Table of Variables Measurement	120
4.1	Data Collected	123
4.2	Descriptive Statistics	125
4.3	Correlation Matrix of Variables	127
4.4	Unit Root Test Results	129
4.5	Summary of Unit root test	129
4.6	Estimates of regression using the Ordinary Least Square (OLS) Method	131
4.7	Estimates of regression using the Ordinary Least Square (OLS) Method	133
4.8	ANOVA	135
4.9	White Heteroskedasticity test	136

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List of Figure

Figure	Title	Page
2.1	Conceptual Model	95

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List of Acronyms

Acronym	Meaning
CGAP	Consultative Group to Assist the Poor
DE4A	Digital Economy for Africa
DMBs	Deposit Money Banks
LDCs	Less Developed Countries
SAP	Structural Adjustment Programme
ATMs	Automated Teller Machines
UFA	Universal Financial Access
FISC	Financial Inclusion Steering Committee
FITC	Financial Inclusion Technical Committee
GDP	Gross Domestic Product
CBN	Central Bank of Nigeria
CAR	Capital Adequacy Ratio
ROI	Return on Investment
ROE	Return on Equity
ROA	Return on Assets
NDIC	Nigeria Deposit Insurance Corporation
BOFIA	Banks and other Financial Institutions Act
EXR	Exchange Rate
DR	Deposit Rate
MDR	Minimum Deposit Rate
POSS	Point of Sale Terminals

OLS	Ordinary Least Square
MPAY	Mobile Payment
PLS	Panel Least Square
FDL	Financial Derivative Liabilities
FDA	Financial Derivative Assets
LTC	Loan and Advances to Customers
IFRS	International Financial Reporting Standards (IFRS)
ESCAP	Economic and social Commission for Asian and the Pacific
SMEs	Small and Medium Enterprises
SCP	Structure Conduct Performance

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