EFFECT OF FINANCIAL INCLUSION ON FINANCIAL INTERMEDIATION IN NIGERIA: 2000-2021

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Abstract

This study assessed the effect of financial inclusion on financial intermediation in Nigeria for the period 2000 to 2021. Nigeria financial inclusion strategy has not achieved its target fully due to some citizens' preference for cash transactions. The informal sector are patronized for savings and borrowings hence retarding the fast drive for financial inclusion. Financial inclusion proxies were automated teller machines per 100,000 adults (ATMs), commercial bank branches per 100,000 adults (CBB), domestic credit to private sector by banks as percentage of GDP (DCPS), depositors with commercial banks per 1,000 adults (DEPCB), while total savings/gross domestic product (TS/GDP) was proxy for financial intermediation. Specifically, the study assessed the effect of ATMs; CBB; DCPS and DEPCB on TS/GDP in Nigeria. The data used were extracted from the World Development Indicators data base and CBN statistical bulletin. The theoretical underpinning was the financial intermediation theory. The descriptive statistics, unit root test and regression analysis were done. The results showed that: there was no unit root among the variables, R-squared was 98% and prob (f-statistic) was 0.00000. Also, the regression output showed that: ATMs had positive and significant effect on TS/GDP; CBB had negative and non-significant effect on TS/GDP; DCPS had positive and significant effect on TS/GDP; while DEPCB had positive and significant effect on TS/GDP in Nigeria for the period reviewed. It was recommended that: banks should improve efficiency of ATMs and provide them in financially excluded locations; CBN / banks to enhance credit delivery to the domestic private sector and keep sensitizing Nigerians on the need to use the banks for their financial transactions.

Key words: *Financial inclusion, financial intermediation, banks, NFIS,*

Introduction

Financial inclusion has become an obvious strategy for enhanced addition of the unbanked into the formal financial activities and is considered to be critical for achieving financial stability and prosperity for all. Since the Maya declaration for sustainable financial inclusion emerged in 2011, developing economies have taken

steps to lessen the number of people without access to financial services in their nations, Nigeria inclusive (Yua et al., 2022).

El-said et al. (2020) defined financial inclusion as access to and use of financial products and services by people. On the other hand, Oladimeji and Adegbite (2019) defined financial inclusion as the process that ensures ease of access, availability, and usage of the formal financial system for the members of an economy or that process whereby financial services are delivered by a range of providers to reach all those who could use them. The Central Bank of Nigeria's push for cashless policy in 2012, reduction in know your customer (KYC) requirements for account opening, establishment of people's bank in 1989 and Community Banking in 1990 helped to set the strategy for financial inclusion, hence breaking the barriers for those financially excluded (Ozili, 2022). These provisions helped push more people to the banking sector and advanced the course of financial inclusion in Nigeria.

The National Financial Inclusion Strategy (NFIS) of the CBN in 2012 helped push the desire for total financial inclusion of financially excluded adult Nigerians. Sanusi's study (2012, as cited in Oladimeji & Adegbite, 2019) stated that the CBN made seven significant intervention policies to boost financial inclusion drive which included: (i) simplified know your customer (ii) agent banking regulatory framework (iii) national financial literacy framework (iv) consumer protection(v) mobile payments and cashless policy initiatives (vi) establishing linkages between government, development financial institutions, deposit money banks, microfinance banks, microfinance institutions (vii) introduction of credit enhancement schemes and programmes. The aforementioned policies no doubt have helped in driving down the financial exclusion percentage.

Umozurike et al. (2023) stated that as at the end of 2020 that 64% financial inclusion was achieved as against the 70% target of Nigerians to be captured. This showed that 36% (38million adult population) of the Nigerian population were still financially excluded. That is to say that this percentage could not still have access to financial services.

In Nigeria, part of the CBN strategy on financial inclusion was to create different classes of savings accounts, hence reduce the account opening requirements and the maximum deposit ceiling in each of the tier1 and tier2 accounts. The barriers to financial inclusion have been highlighted to include: irregular income / job loss, high maintenance fees, strong informal services in the area, no means of identification, low customer care, past bad experience with the bank, low literacy level, no network / non-functioning ATM, unknown / hidden charges, bank too far from home, long queues in the bank, religious reason, high minimum balance, lack of trust on the bank (Ayopo et al., 2020). Despite the forgoing, Ejinkonye and Mazeli (2023) noted

the importance of financial innovative banking services as ATM, POS, webpay, mobile money, internet banking, cards in driving financial inclusion and intermediation in Nigeria. They opined that these products encourage people to patronize the banks, makes transactions easier for customers, increase bank deposits, increase banks' lending capacity and have helped in financial inclusion drive.

Financial intermediation function is the scope by which financial institutions (essentially banks) connect the deficit spending units and surplus spending units (Migap et al., 2015).Thus, if the financial intermediation drive is not growing as expected then there seems to be a problem with the financial inclusion mechanism, strategy and policies.

It is also important to note that despite that the non-formal sector do not have legislative backing, some Nigerians still patronize them. Such Nigerians are being short-changed, duped, face high interest on credit, receive little or no interest on deposit, loss of funds on closure or death of the operators. Indeed, avoidable high risks are faced by the unbanked that patronize the informal financial sector. The forgoing agrees with the position of Dupas et al. (2016) when they stated that disagreement between lenders and borrowers in the non-formal banking structure cannot be legally resolved. The financial inclusion target is not being achieved hence having high volume of fund and Nigerians outside the formal financial sector.

It is against this backdrop that it is important to assess the effect of financial inclusion on financial intermediation in Nigeria. Specifically, the study examined the effect of: automated teller machines (per 100,000 adults) on total savings (as % of gross domestic product); commercial bank branches (per 100,000 adults) on total savings (as % of gross domestic product); domestic credit to private sector by banks (% of gross domestic product) on total savings (as % of gross domestic product); depositors with commercial banks (per 1,000 adults) on total savings (as % of gross domestic product). This study stands out as it did an empirical study using financial intermediation as dependent variable as against most studies that used economic growth. Also, some studies did only theoretical review of the financial inclusion progress in Nigeria. Four null hypotheses were formulated in line with the above four specific objectives thus:

$H_0$1: ATMs had no positive and significant effect on TS/GDP in Nigeria.
$H_0$2: CBB had no positive and significant effect on TS/GDP in Nigeria.
$H_0$3: DCPS had no positive and significant effect on TS/GDP in Nigeria.
$H_0$4: DEPCB had no positive and significant effect on TS/GDP in Nigeria.
The subsequent sections of this work include: conceptual review, theoretical framework, empirical review, methodology, data presentation, result of analysis, hypotheses testing, discussion of findings, conclusion and recommendations.

Review of Related Literature

Conceptual review

Akhil (2016) defined financial inclusion as the delivery of financial services to the poor at affordable cost. Umozurike et al. (2023) buttressed the forgoing when they opined that financial inclusion is achieved when formal financial services can be easily accessed, used in a comprehensive way, set up in a way it suits the populace as well as easily purchased by the low-income earners without difficulty. Financial inclusion therefore helps to bring more people who hitherto had no access or opportunity of accessing banking services into the financial services sector. Abbas and Atanda (2019) sums it up when they submitted that financial inclusion is meant to improve economic growth by increasing the economic wellbeing of people at the base of the pyramid and unbanked by providing affordable and accessible financial services at low cost.

Financial inclusion is the ease of access, availability and usage of the formal financial system by all members of the economy (Sahay et al., 2015). Financial inclusion has helped reduce the operation of non-formal money lenders and savers to some appreciable level. Hence, Grant's study (2020, as cited in Umozurike et al., 2023) succinctly defined financial inclusion as the making of financial products and services accessible and affordable to all individuals and businesses irrespective of their networth or size.

CBN (2013) defined financial exclusion as the inability of individual, household or group to access particularly the formal financial products and services. This implies that it is the situation wherebypeople have demand for financial servicesbut for some reasons do not have access to those services. Banks are in the center stage of financial inclusion as they are to provide the platforms and are the way through which the unbanked can be banked and their financial needs taken care of. According to Lenka and Sharma (2017), financial inclusionwill help improve resource allocation and increases economic growth in developing countries.Financial inclusion hence is the availability and use of formal financial services by all members of an economy that should have access to them and at affordable cost. It is indispensable for an all-inclusive growth of the financial system and economy in developing countries as Nigeria.

Theoretical framework

The theoretical underpinning of this study is the financial intermediation theory. This theory established that financial institutions try to answer the questions of intermediaries' in financial processes by linking the surplusunits and deficit units in an economy. Financial institutions as part of their traditional function are therefore able to monitor both the borrowers and lenders in the economy (Abdullahi & Fakunmoju, 2017).

Empirical review

Ozili (2022) analyzed the level of financial inclusion in Nigeria for the period 2011 to 2017. Data was obtained from the Global Findex Indicators data base. The variables used were six financial inclusion indicators namely; (i) account ownership (ii) extent of borrowings from a formal financial institution (iii) extent of borrowings from family and friends, (iv) credit card ownership, (v) debit card ownership, and (vi) savings in a formal financial institution. The data was analyzed using Percentage Change Analysis (PCA). It was found out that Nigeria witnessed growth in several financial inclusion indicators in the early years of financial inclusion in 2014 but the benefits were not sustained in the later years especially in 2017.

Yua et al. (2022) examined the relationship between selected financial inclusion variables and banks' performance in Nigeria for the period of ten years with specific objective of determining the extent to which financial inclusion/technology has deepened on the performance of banks in Nigeria between 2009 and 2019. The study employed the Autoregressive Distributed Lag (ARDL) modelling technique. Empirical results from the study revealed that financial technology variables (POS, ATM) had positive effect on bank performance in the long-run. While mobile banking payment (MBP) had negative and significant effect on bank performance, POS was significant, ATM was not significant in the long-run. In the short-run, empirical result showed that financial technology was highly significant in determining bank performance in Nigeria.

Olusegun et al. (2021) examined the nexus between financial inclusion and financial stability in Nigeria for the period 2014 to 2018. An index of financial inclusion was constructed to reflect penetration, availability and usage. The paper presented evidence that financial inclusion had positive impact on financial stability, which implies that higher levels of financial inclusion would lead to greater financial stability. In terms of dimension, both penetration and availability had a positive relationship with financial stability, while usage was found to have a negative relationship.

Oladimeji and Adegbite (2019) examined the influence of financial inclusion on economic growth and the causality between financial inclusion and economic growth in Nigeria. The study was for the period 1982 to 2017. They used ordinary least squares and granger causality test to analyze the data obtained. They found out that financial inclusion significantly contributed to Nigeria's economic growth. Also, that thefinancial inclusion variables explained variations in economic growth with coefficient of determination of 99.95%. Finally, the study showed evidence of unidirectional causality between financial inclusion and economic growth in Nigeria for the period reviewed.

Nwafor and Yomi (2018) examined the relationship between financial inclusion and economic growth in Nigeria for the period 2001 to 2016. Two hypotheses were formulated while data obtained was tested using Two-staged Least Squares Regression Method. They found out that financial inclusion had significant impact on economic growth in Nigeria. Also, that financial industry intermediation have not influenced financial inclusion in Nigeria within the period reviewed.

Omojolaibi (2017) examined the impact of financial inclusion and governancecharacteristics on economic progress in Nigeria for the period 1980 to 2014. The study looked at three major channels: Investment in infrastructure, per capita GDP and income inequality. The Generalised Method of Moment (GMM) estimation technique was employed for the analysis. It was found out that: (i) financial inclusion and governance indices had statistical relevance in determining infrastructural investment in Nigeria (ii) Governance indices and commercial bank deposit significantly increased per capita GDP (iii) Financial inclusion had the tendency to bridge the gap between the rich and the poor and reduce the prevalence of poverty in the economy.

Okoye et al. (2017) investigated the outcome of financial inclusion on economic growth anddevelopment in Nigeria for the period 1986 to 2015. Financial inclusion proxy was loan to deposit ratio,financial deepening indicators, loan to rural areas and branch network. On the other hand, financial deepening proxies were: ratio of private sector credit to gross domestic product andbroad money supply to gross domestic product. The proxy for economic growth was growth in gross domestic product. Also, per capita income was adopted as a measure of poverty,hence an index of development. They analyzed the data using Ordinary Least Squarestechnique and found out that credit to privatesector had no significant effect on economic growth. Also, that financial inclusionhad promoted poverty alleviation in Nigeria through rural credit delivery in Nigeria for the period reviewed.

Methodology

Research design adopted was *ex-post facto* design. The data for the independent variables were obtained from the World Development Indicators website while that for the dependent variable was obtained from CBN statistical bulletin of 2021. The techniques of data analysis employed were descriptive statistics, unit root test and regression. The secondary data obtained for this study covered year 2000 to 2021 (22 years).

The regression model relationship was expressed as:

$Y_t = b_0+b_1X_1+b_2X_2+b_3X_3 \ldots + bnXn + e$

Where: Y = dependent variable

b_0 = intercept term

b_1, b_2, b_3 = parameters or coefficients of the model

X_1, X_2, X_3 = independent or explanatory variables.

e = error term

The functional relationship of financial inclusion and financial intermediation can be specified in the following model:
TS/GDP = f(ATM, CBB, DCPS, DEPCB)

The model is explicitly defined as follows:
$TS/GDP_t = b_0+b_1ATM_t+b_2CBB_t+b_3DCPSt+b_4DEPCB + e_t$

Where:
TS/GDP = Total savings of other deposit corporations as percentage of gross domestic product.
ATM = Automated teller machines (per 100,000 adults)
CBB = Commercial bank branches (per 100,000 adults)
DCPS = Domestic credit to private sector by banks (% of gross domestic product)
DEPCB = Depositors with commercial banks (per 1,000 adults)

The independent variables used to proxy financial inclusion were automated teller machines (per 100,000 adults), commercial bank branches (per 100,000 adults), domestic credit to private sector by banks (% of gross domestic product) and depositors with commercial banks (per 1,000 adults). The dependent variable used to proxy financial intermediation was total savings of other deposit corporations as percentage of gross domestic product.

The hypotheses were tested at 5% level of significance while Eviews10 processing software was used. The *a priori* expectation is that the independent variables (ATM, CBB, DCPS and DEPCB will have positive and significant effect on the dependent variable (TS/GDP). The decision rule was to accept the null hypothesis if the coefficient is negative and probability value greater than 0.05. On the other hand, null hypothesis was rejected if the coefficient is positive probability value is less than 0.05.

Data presentation
Table 1 shows the raw data on automated teller machines (per 100,000 adults), commercial bank branches (per 100,000 adults), domestic credit to private sector by banks (% of gross domestic product) and depositors with commercial banks (per 1,000 adults).

YEAR	TS/GDP	ATMs (per 100,000 adults)	DEPCB (per 1,000 adults)	DCPS (% of GDP)	CBB (per 100,000 adults)
2000	5.45	0	0	8.22	0
2001	5.93	0	0	9.84	0
2002	5.15	0	0	8.07	0

2003	4.84	0	0	8.89	0
2004	4.40	0	0	8.45	4.7
2005	5.70	0.68	0	8.43	4.18
2006	5.73	1.78	0	8.11	3.78
2007	7.75	4.48	296.17	13.39	5.21
2008	10.63	8.64	311.85	18.57	6.27
2009	13.13	11.46	464.48	19.6	6.48
2010	10.71	11.23	472.65	13.46	6.56
2011	10.24	11.94	504.61	11.03	6.41
2012	11.05	11.49	644.44	10.59	5.82
2013	11.85	13.31	650.69	11.52	5.9
2014	12.70	16.19	653.35	13.29	5.61
2015	12.36	16.21	667.46	13.07	4.98
2016	13.68	16.74	813.92	14.59	4.74
2017	12.59	16.33	923.23	12.78	4.44
2018	12.44	16.93	1013.71	10.18	4.3
2019	12.52	17.19	1127.68	10.43	4.78
2020	14.26	16.15	1310.39	11.23	4.45
2021	14.57	16.15	1458.41	12.19	4.28

Source: World Development Indicators website and CBN statistical bulletin.

Results of analysis

Table 2: Descriptive Statistic

	TSGDP	ATM	CBB	DCPS	DEPCB
Mean	9.894173	9.404545	4.222273	11.63318	514.2291
Median	10.87981	11.47500	4.720000	11.13000	488.6300
Maximum	14.56663	17.19000	6.560000	19.60000	1458.410
Minimum	4.400323	0.000000	0.000000	8.070000	0.000000
Std. Dev.	3.519504	7.028098	2.190981	3.134068	459.3206
Skewness	-0.373056	-0.339774	-1.133136	1.044205	0.421239
Kurtosis	1.546153	1.424744	3.003358	3.716950	2.164687
Jarque-Bera	2.447823	2.697950	4.708003	4.469180	1.290226
Probability	0.294078	0.259506	0.094988	0.107036	0.524603
Sum	217.6718	206.9000	92.89000	255.9300	11313.04
Sum Sq. Dev.	260.1251	1037.277	100.8084	206.2701	4430484.
Observations	22	22	22	22	22

The above table showed the means of TS/GDP, ATM, CBB, DCPS and DEPCB were 9.89, 9.40, 4.22, 11.63 and 514.23 respectively, while their median were also 10.88, 11.48, 4.72, 11.13 and 488.63 respectively. The Jarque-Berastatistic probability of greater than 0.05 for the variables indicated abnormal distribution / trend. Hence other mediating factors influenced the rate of the dependent variable.

Estimation Command:
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LS TSGDP C ATM CBB DCPS DEPCB

Estimation Equation:
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TSGDP = C(1) + C(2)*ATM + C(3)*CBB + C(4)*DCPS + C(5)*DEPCB

Substituted Coefficients:
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TSGDP = 2.76367726089 + 0.271179718072*ATM - 0.0334944135364*CBB + 0.288785080533*DCPS + 0.00264883272056*DEPCB

The analysis showed that the constant coefficients of B was 2.76367726089.
In view of the model used for this study:
$TS/GDP_t = b_0 + b_1ATM_t + b_2CBB_t + b_3DCPSt + b_4DEPCB + e_t$

The summary of the linear regression result obtained from the study can be stated as:
TSGDP = 2.76367726089 + 0.271179718072*ATM - 0.0334944135364*CBB + 0.288785080533*DCPS + 0.00264883272056*DEPCB

The above model showed that when all other variables are kept constant except ATMs figure, a unit change in ATMs will result to a 0.27 increase in TS/GDP. Keeping all other variables constant except CBB, a unit change in CBB will result to a 0.033 decrease in TS/GDP. Bearing all other variables constant except DCPS, a unit change in DCPS will result to a 0.29 increase in TS/GDP. Also, a unit change in DEPCB will result to a 0.0026 increase in TS/GDP.

Table 3: Unit root test extracts

Variables	ADF STAT	5% critical	Inference	p-value	Decision
ATM	-4.771641	-3.029970	1(2)	0.0014	Reject H0
CBB	-5.972284	-3040391	1(2)	0.0001	Reject H0
DCPS	-3.001714	-3.020686	1(0)	0.0519	Reject H0
DEPCB	-4.080152	-3.020686	1(1)	0.0056	Reject H0
TSGDP	-3.802937	-3.020686	1(1)	0.0101	Reject H0

Source: Researcher's extraction from the unit root tests results using ADF methods.

The above table 3 showed that there is no unit root for DCPS at level, DEPCB and TSGDP at 1st difference, ATM and CBB at 2nd difference. Since the probability

values are less than 5% significant level, the series are stationary and suitable for estimation using regression technique of analysis.

Table 4: Regression output

Dependent Variable: TSGDP
Method: Least Squares
Date: 08/30/23 Time: 17:26
Sample: 2000 2021
Included observations: 22

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.763677	0.454190	6.084847	0.0000
ATM	0.271180	0.050210	5.400924	0.0000
CBB	-0.033494	0.075603	-0.443030	0.6633
DCPS	0.288785	0.047358	6.097924	0.0000
DEPCB	0.002649	0.000660	4.015514	0.0009

R-squared	0.982921	Mean dependent var	9.894173
Adjusted R-squared	0.978903	S.D. dependent var	3.519504
S.E. of regression	0.511207	Akaike info criterion	1.692633
Sum squared resid	4.442657	Schwarz criterion	1.940597
Log likelihood	-13.61896	Hannan-Quinn criter.	1.751046
F-statistic	244.5947	Durbin-Watson stat	1.696339
Prob(F-statistic)	0.000000		

The prob (F-statistic) value of 0.000000 which is less than 0.05 implies that the model is statistically fit. The Durbin-Watson stat of 1.696339 is nearer to 2 than 0 thereby indicting that there is no autocorrelation in the residuals of the regression analysis. R-squared value of 0.982921 and Adjusted R-squared of 0.978903 showed that the model is fit for the hypotheses testing since the independent variables explained 98% of changes in the dependent variable.

Hypotheses testing

Table 5: summary statistics for hypotheses testing

Hypothesis	**Variable**	**Coefficient**	**Std. Error**	**t-statistic**	**Probability**	**Decision**
One	ATM	0.271180	0.050210	5.400924	0.0000	Reject H_0
Two	CBB	-0.033494	0.075603	-0.44303	0.6633	Accept H_0
Three	DCPS	0.288785	0.047358	6.097924	0.0000	Reject H_0
Four	DEPCB	0.002649	0.000660	4.015514	0.0009	Reject H_0

Hypothesis one: $H_0$1: ATMs had no positive and significant effect on TS/GDP in Nigeria.

The coefficient of ATM is 0.271180, t-statistic is 5.400924 and the corresponding probability value is 0.0000 which is less than 0.05 level of significance. The null hypothesis is therefore rejected and it is concluded that ATMs had positive and significant effect on TS/GDP in Nigeria.

Hypothesis two: $H_0$2: CBB had no positive and significant effect on TS/GDP in Nigeria.
The coefficient of CBB is -0.033494, t-statistic is -0.443030 and the corresponding probability value is 0.6633 which is greater than 0.05 level of significance. The null hypothesis is therefore accepted and it is concluded that CBB had no positive and significant effect on TS/GDP in Nigeria.

Hypothesis three: $H_0$3: DCPS had no positive and significant effect on TS/GDP in Nigeria.
The coefficient of DCPS is 0.288785, t-statistic is 6.097924 and the corresponding probability value is 0.0000 which is less than 0.05 level of significance. The null hypothesis is therefore rejected and it is concluded that DCPS had positive and significant effect on TS/GDP in Nigeria.

Hypothesis four: $H_0$4: DEPCB had no positive and significant effect on TS/GDP in Nigeria.
The coefficient of DEPCB is 0.002649, t-statistic is 4.015514 and the corresponding probability value is 0.0009 which is less than 0.05 level of significance. The null hypothesis is therefore rejected and it is concluded that DEPCB had positive and significant effect on TS/GDP in Nigeria.

Discussion of findings
Automated teller machines (per 100,000 adults) had a positive and significant effect on TS/GDP as expected. The figures on ATMs has been on the increase over the years due to increased usage and infrastructure growth in FinTech. Banks have over the years continued to expand their ATM siting in urban and rural areas to meet customers' need, hence its positive and significant effect on financial intermediation.These ATMs sometimes face challenges of cash outs, power outages, downtime and delayed resolution of dispense errors, which must be eradicated so as to ensure its continued positive and significant effect on financial intermediation.

Commercial bank branches (per 100,000 adults) had a negative and non-significant effect on TS/GDP which is not the expected result. However, it is observed that the data for this variable rose gradually until it got to 6.41 in 2011 afterwhich it began to fall marginally. This may be connected to banks drive to site more ATMs as against more branches. This plan is premised on the fact that ATMs are cheaper to site and renders most of the services for which the customers would want to visit a bank branch. These could have led to drop in CBB and the eventual negative and non-significant effect it had on TS/GDP in Nigeria.

Domestic credit to private sector by banks (% of GDP) had a positive and significant effect on TS/GDP which is the expected result. The data for this variable have been on the increase over the years which is good for the domestic economy to thrive. The financial inclusion drive no doubt have led to increasing deposits of funds in the banks hence increased the lending capacity of banks. Banks should keep developing special credits to accommodate the micro businesses who do not have the conventional security for borrowing from banks and had hitherto been financially excluded. Increased domestic credit will ensure the continued positive and significant effect on financial intermediation.

Depositors with commercial bank (per 1,000 adults) had a positive and significant effect on TS/GDP which is the expected result. The data for this variable is seen to be on a steady increase over the years reviewed. This showed that the financial inclusion plan of the CBN the expected results as more adults who hitherto were financially excluded have been brought into the banking space and helped increase bank deposits. This upward trend will obviously continue with the various measures put in place by the CBN and commercial banks to bring in the unbanked populace into the banking sector.

Conclusion

This study showed that there is significant effect of financial inclusion variables on financial intermediation in Nigeria for the period reviewed. Specifically, three of the financial inclusion variables showed positive signs and significant effect on total savings as percentage of gross domestic product. Nigerians need to be continually reminded of the financial inclusion goals and benefits so they can key-in for their benefits and that of the Nigerian economy. The financial inclusion will help bring the unbanked into the banking space, achieve easy build-up of cheap funds and availability of fund for lending activities. The aspiration that every adult should be provided with and have access to and usage of formal financial services is not only legitimate but imperative and compelling.

Recommendations

1) Banks should improve efficiency of ATMs and provide them in financially excluded locations.This will help more unbanked to open accounts and use the ATMs.
2) CBN / banks should continue to ensure enhanced credit delivery to the domestic private sector. This will help to deepen financial inclusion drive in Nigeria.
3) The CBN and commercial banks should keep sensitizing Nigerians on the need to use the banks for their financial transactions. This will help build confidence, patronage and boost banks performance in Nigeria.

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