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EFFECT OF FINANCIAL INCLUSION ON PERFORMANCE OF FINANCIAL INSTITUTIONS IN NIGERIA

Vincent A. Aderobaki[1]; Femi J. Falope[2]; Adedoyin T. Aremo[3]
[1&2]*Department of Accountancy, Faculty of Management Sciences, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria.*
[3]*Department of Banking and Finance, Faculty of Management Sciences, Nnamdi Azikiwe University, Awka, Anambra State, Nigeria.*
Emails: av.aderobaki@unizik.edu.ng[1] fj.falope@unizik.edu.ng[2] at.aremo@unizik.edu.ng[3]

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Abstract
This study examined the relationship between financial inclusion and performance of financial institutions in Nigeria between 2013 and 2022, using return on asset as proxy for financial performance while mobile payment transaction, automated teller machine, point of sales and web pay transaction were used as proxies for financial inclusion. The study adopts an ex-post facto research design. Time series data, which was largely obtained from secondary sources over a 10 year period were sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin and Annual Audited Report of the sampled companies. The population of the study consists of all the 13 Commercial Banks and 22 Insurance Companies listed on the Nigeria Exchange Group (NGX) as at 31st December, 2022. Ordinary Least Square Regression Analysis was applied in hypotheses testing with the aid of SPSS version 20.0. The findings revealed that Mobile payment transactions (MPT), automated teller machine (ATM), point of sales (POS) and web pay transaction (WPT) have no significant effect on the return on asset of financial institutions in Nigeria. It was concluded that, financial inclusion policy has insignificantly and negatively effects on the performance of commercial banks and insurance companies in Nigeria. Based on the above findings the study recommends that, there is the need for government, corporate organizations, insurance companies and commercial banks in particular, as a matter of necessity provide affordable critical infrastructure such as power, access to internet and enlightenment campaigns on all payments system, particularly the unbanked populace in the villages which would ultimately increase financial inclusion and enhance performance service delivery to all cities and towns in Nigeria as this will increase consumer's patronage of mobile payment transactions, point of sales, automated teller machine and web pay transactions.

Key Words: *Financial Inclusion, Financial Institution, Financial Performance.*

Introduction
Financial performance of a company is a key measure that determines business continuity or closure. The business that operates without profit may be faced with going concern problem. Financial performance rests on the ability of the management to generate revenue from factors of production and properly manage the revenue and expenses (Ugwuoke, 2010). This means that company's management can make profit by engaging

all resources available in the business and focuses on analysis of the relationship between the revenue earned and expenses incurred. Since financial performance has implication on an organizational existence, health and ultimately its survival, this has made it a major concern of business managers, shareholders and other stakeholders to always monitor factors and processes that determine and support the financial performance of organization (Onduso, 2013). On the other hand financial inclusion is the process of extending financial products to the unbanked and vulnerable populace (Onaolapo, 2015). Financial inclusion is a key component of an all inclusive social, political and economic development in any country. This process enables individuals and businesses to have access to financial services such as deposit, loans, insurance, payments and fund transfer at their convenience and to meet economic needs. Financial institutions provide the platform and delivery vehicle for financial inclusion activities in the payment-credit systems and more financial inclusion could bring more people into the banking nets, which could radiate positively into the financial performance through increased services patronage and broader clientele services. According to Oluyemi (2015) financial institutions are seen as the engine room for growth and development. The composition of financial institution in this study comprises of Commercial Banks (DMB'S) and Insurance Companies. The role insurance company's play in economic development is strikingly outstanding. While the deposit money banks mobilize deposits from customers in the form of savings, current and fixed deposits insurance companies on the other hand aggregate the premium paid by policy holders (Esezobor, 2013). According to Global Findex (2021) Survey, about 76 percent of adults in the world have bank accounts and about 1.4 billion adults do not have access to an account at financial institution or through a mobile financial services provider. Since 2010, the G-20 and the World Bank have led the initiative for increased financial inclusion in developing countries to help reduce poverty levels in developing and emerging economies (Global Partnership for Financial Inclusion (GPFI), 2023). The GPFI is committed to advancing financial inclusion globally by increasing the quality of access to, as well as the use of, sustainable formal financial services, thereby expanding opportunities for underserved and excluded households and enterprises, as one of the instruments to ensure financial well-being and support productivity, and helping in the achievement of the sustainable development goals (SDGs) (Financial Inclusion Action Plan (FIAP), 2023). Today, the relevance of digital finance and financial inclusion for poverty reduction and economic development is attracting the attention of policymakers and academics, primarily because of the number of issues that persist which, if addressed, can make digital finance work better for individuals, businesses, governments, and the economy.

Undoubtedly, the introduction of digital technology has greatly transformed the Nigerian financial sector. The overall financial inclusion benchmark was set at 80% in 2020, however according to Enhancing Financial Innovation and Access (EFInA) data, just 64% of Nigerian adults were financially included at the end of 2020 (Odutola, 2021). In particular, older Nigerians who have access to financial services fees increased from 21.6% in 2010 to the average of 70.% in 2020, while those with access to security are expected to increase from 24.0% to 60%; and credit from 2% to 40%, Insurance from 1% to 40% and pensions from 5% to 40%, at the same time. Many banks continue to innovate and create in an effort to meet changing customer needs. Bank customers benefit

from investment by reducing transaction costs, easy access to services and a high level of efficiency (EFInA, 2021). Nevertheless, the extent to which it has increased participation and accessibility of the financial services activities and it contribution to the financial performance of financial institutions remains debatable. Recently, government took critical initiative by incorporating financial inclusion as one of the cardinal objectives of the Nigerian Financial System Strategy 2020. The idea by the Central Bank of Nigeria (CBN) in collaboration with other stakeholders is to reduce the exclusion rate to 20% in 2020 in order for people to have access to financial services, engage in economic activities, and contribute to the country's growth and development (Nmadu & Mika'ilu, 2018). However, only 67.5 million (64 percent) of Nigeria's 105.5 million adult population was financially included in 2020 revealing that 36% of Nigerian adults, or 38 million adults, remained financially excluded at the end of 2020 (Odutola, 2021). Furthermore, out of the total of 64% of Nigeria's adult population who have access to financial service in 2020, commercial bank achieved 45% out of 60% target, insurance 3% out of 40% target, and Pension 6% out of 40% target while the remaining balance of 10% is from the informer sector (World Bank Group, 2021 and EFInA, 2021). This shows that commercial banks have done a lot to financial inclusion while that of insurance are still lagging behind.

Previous empirical studies on the effect of financial inclusion on performance of financial institutions were inconclusive as mixed findings were reported on Nigerian Banks and that of insurance companies were neglected. Whereas some studies have found that financial inclusion has significant positive effect on the financial performance of banks Al-Chahadah, El Refae, and Qasim (2020); Oranga and Ondabu (2018); Okon and Amaegberi (2018); Kondo (2017); Nzyuko and Jagongo (2017); studies by Nkwede (2015) found that financial inclusion has significant negative effect on the growth of Nigerian economy while Nader (2011) found non-significant relationship between the study variables. To the best of our knowledge no related study has been conducted on effect of financial inclusion and performance of financial institutions in Nigeria focusing on both commercial banks and insurance companies listed on the Nigeria Exchange Group. Hence this study tends to fill the above gaps by examine the effect of financial inclusion on the performance of financial institutions in Nigeria.

The study specifically:

1. examine the effect of mobile payment transactions (MPT) on the return on assets of financial institutions in Nigeria.
2. determine the effect of automated teller machine (ATM) on the return on assets of financial institutions in Nigeria.
3. ascertain the effect of point of sales (POS) on the return on assets of financial institutions in Nigeria.
4. examine the effect of web pay transactions (WPT) on the return on assets of financial institutions in Nigeria.

This study will be guided by the following null hypotheses:

H_{o1}: Mobile payment transactions have no significant effect on the return on assets of financial institution in Nigeria.

H_{o2}: Automated teller machine has no significant effect on the return on assets of financial institution in Nigeria.

H_{o3}: Point of sales does not have significant effect on the return on assets of financial institution in Nigeria.

H_{o4}: Web pay transactions have no significant effect on the return on assets of financial institution in Nigeria.

This study will provide valuable insights into the effects of financial inclusion on the performance of financial institutions in Nigeria and it will be significant to financial institutions management as it will increase the awareness of the overall financial system which will in turns assist them in their day to day decision making. The study will assist the government and its agencies particularly the Central Bank of Nigeria in policy formulation and implementation on the unbanked population. The study will also provide a guide on moral suasion and directives to deposit money banks to enhance financial inclusion through financial technology. The study covers all the commercial banks and insurance company listed on the Nigerian Exchange Group as at 31st December 2022 covering a period of ten (10) years from 2013 to 2022.

Literature Review

Empirical Review

Gelle, Mwambia and Kimanthi (2023), conducted the study on relationship between financial inclusion strategies and profitability of Commercial bank. An explanatory descriptive research design was adopted targeting 41 commercial banks in Kenya. Secondary data was collected from central bank reports and publications as well as the respective banks over a period of 2016-2020. Data was analyzed descriptively and inferentially prior to the diagnostic tests. Statistical Package of Social Sciences was used to analyze data while findings established that mobile banking had significant effect on return on equity among commercial banks in Kenya and this is significantly moderated by bank size.

Anselm Ngwa (2020) examined electronic banking transactions and their effect on financial performance of some selected commercial banks in Cameroon, using econometric techniques of descriptive analysis, and adopting regression analysis on quarterly data of 4 commercial banks from 2012-2018 to examines the effect of mobile payment, ATM, prepaid cards (PPV), and DTF on return on assets of banks. The findings revealed that mobile money transfer, Domestic Transfer Fund equivalent of RTGS transaction and Electronic Point Terminal via all have positive impacts on return on assets, however Prepaid cards such as ATM. Debit cards have negative impacts on the return on assets of the banks. Specifically, the overall finding indicated that e-payment transactions have significant effect on the financial performance of banks in Cameron.

Okon and Amaegberi (2018), examined the impact of Mobile banking transactions on bank profitability among four selected old and new generation banks in Nigeria. The

study adopted Panel unit root and SURE model estimation technique to conduct quantitative analysis. The results of the study were analyzed using economic a priori criteria, statistical criteria and econometric criteria. The positive and statistically significant relationship between automated teller machine of old and new generation banks in Nigeria indicates that automated teller machine is a major factor that contributes to old and new banks performance in Nigeria. The positive and statistically significant relationship between point of sale of old and new generation bank in Nigeria indicates that point of sale is a major factor that contributes to old and new banks performance in Nigeria.

Frank and Binaebi (2019) examined the impact of electronic payments system implementation on the financial performance of Nigerian's commercial banks. The research uses annual data ranging from 2009 to 2018 and adopts the ordinary least square regression technique. Four measures of payments system technology such as ATM transactions, POS transactions, internet payments, and mobile payments were used with aggregated asset base used as the measure of performance of commercial banks. The empirical results of the study provided that an implementation of payments system innovations has had a mixed effect on the financial performance of banks in Nigeria. ATM, internet payment, and mobile payments have a positive effect on the financial performance of banks, while POS terminals have a negative effect on the bank performance.

Shihadeh (2021), examine the relationship between financial inclusion indicators and bank performance in Palestine. The study population and its sample include all 15 banks operating in Palestine and cover the period 2006 to 2016 with panel data from 162 observations. To interpreter the variables, the study uses the volume of loans to SMEs (usage), banking penetration, number of ATMs and branches (access), and online banking, the latter if it is a dummy variable. Further, the study uses operational profits, total revenues and ROE as bank performance indicators and dependent variables. Using empirical analysis, the results indicated that banking penetration tools, branching and ATMs could enhance bank performance. Despite the decline in lending to SMEs, this factor could positively improve the performance of banks in Palestine. In general, financial inclusion helps banks improve their performance and increase their revenues.

Nwakoby Okoye, EzejioforAnukwu, and Ihediwa, (2020) examined the effects of electronic payments on the performance of 9 selected banks out of 15 quoted in the Nigerian stock exchange. The research work implemented the OLS regression technique of analysis using ATM transactions, POS transactions, and mobile payments as measures of electronic banking with return on equity as a measure of banks' profitability. The findings revealed that ATM transactions have a negative effect on return on equity of DMBs. While both POS and mobile payment has a positive impact on return on equity of DMBs in Nigeria.

Usman (2020), examined the impact of electronic banking on financial inclusion in Nigeria. The study utilized the total number of automated teller machines, point of sale devices and internet banking operation in Nigeria to represent electronic banking for the

period under review. The study used Statistical Package for Social Study with the aid of linear regression analysis. The finding revealed that both internet banking and automated teller machines have insignificant impact on financial inclusion while the point of sale devices significantly impact financial inclusion in Nigeria.

Akwam and Yua (2021) conducted research on effects of e-money products on the financial performance of some commercial banks in Nigeria using volume of POS, mobile payments and ATM transactions as proxies of financial products and return on assets, return on equity and earnings per share as proxies of banks performance. A time series annual data from 2005-2019 of mobile payment, POS and ATM were employed to determined their impact on ROA, ROE and earnings per share, respectively. The findings revealed that Mobile payment and POS have significant positive effect on ROA and ROE, respectively. Also, ATM transactions have significant positive effect on earnings per share.

Al-Chahadah, El-refae and Qasim (2020), examine the impact of financial inclusion on the financial performance of Jordanian banks listed in the Amman Stock Exchange. The study empirically tested the impact of five main indicators of financial inclusion on bank performance. Using a simple regression analysis, findings of the study showed statistically significant impact of two indicators of financial inclusion (i.e., financial access and enterprise financing) and bank financial performance (i.e., bank profitability) of Jordanian banks. The study recommends Jordanian financial institutions to move toward increasing innovative access to financial services as well as enhancing IT infrastructure and the development of financial services to raise the level of digital banking services which is currently considered relatively low when compared to other middle-income countries.

Dahham (2023), examined the impact of financial inclusion on the profitability of commercial banks by taking a sample of public banks in the Egyptian market in the period from (2012 to 2020). With the criterion of using banking services and the criterion of accessing banking services, in contrast, the profitability of commercial banks was measured using the return on ownership and the return on assets, and it was concluded that financial inclusion is statistically significant on the return on assets and the return on ownership. The study recommended building a national strategy to enhance financial inclusion in Egypt and conducting more studies using other indicators of the performance of commercial banks.

Nkemjika (2021), investigate the influence of financial inclusion on deposit mobilization in Nigeria. The study used time series secondary data covering the period 1987 to 2019. The Autoregressive Distributed Lag model was employed as the regression model to analyze the data for deposits from rural areas, loans to rural areas, loan to small scale enterprise on sundry deposits with commercial bank due to its numerous advantages. The findings of the study indicate that deposit from rural areas and loans to rural areas have a positive and significant impact on deposit mobilization in Nigeria while loans to small scale enterprises has a negative and significant effect on deposit mobilization. The result of the causality test which shows a unidirectional causality running from deposits from rural areas and loans to rural area to sundry deposits with commercial banks shows the

key need for banks to channel its service providing policies also to rural areas to boost its deposit base. The study therefore concludes that financial inclusion has a positive effect on deposit mobilization in Nigeria in a long run and has helped to improve the easy access and usage of financial service in Nigeria within the period under study.

Ogidi and Pam (2021), examines financial inclusion and its effect on the growth of SMEs in Plateau State, Nigeria. Primary data was collected via questionnaires using simple random sampling technique. Data was analyzed using Chi-Square. The results show that SMEs in Nigeria have access to financial products that are made available by banks and other financial institutions. Also, financial inclusion significantly affects the growth of SMEs in Nigeria. Furthermore, SMEs customers highly accept financial inclusion and this in turn positively affects the growth of SMEs in Nigeria.

Anisiuba, Ezeaku and Emengini (2020), examined the effect of financial inclusion (FI) on entrepreneurial growth (EG) in retail and wholesale sub-sectors in Nigeria using quarterly data from the World Bank's, World Development Indicators and the Central Bank of Nigeria. Data were analyzed using correlation analysis and error correction approach. The results reveal that financial inclusion has a significant positive effect on EG particularly in the context of the retail and the wholesale sub-sectors contributions to gross domestic product (GDP). The results further indicate that account ownership (ACN) did not have significant influence on the growth rate of the retail and the wholesale sub-sectors, while commercial bank branches (CMB) was found to have significant influence on the growth rate of the retail and the wholesale sub-sectors. This implies that CMB is a critical financial inclusion channel with potentials of driving the EG particularly in the context of the retail and the wholesale sub-sectors contributions to GDP.

Materials and Methods

The study adopted *ex- post facto* research design to examine the effect of financial inclusion on the performance of listed financial institutions in Nigeria. Moreover, the suitability of this choice was based on the fact that the design allows researchers to establish the time sequence of the variables on the basis of logical considerations. The population of the study is made up of all commercial banks and insurance companies listed on the Nigerian Exchange Group (NGX). As at 31st December 2022, thirteen (13) commercial banks and twenty two (22) insurance companies were listed on NGX making a total population of 35 financial institutions in Nigeria. Purposive sampling technique was used to select fifteen (15) financial firms that have their financial statements available either on their website or in the office of the Nigerian Exchange Group as at 31st December, 2022 covering a period of 10 years (2013 – 2022). We adopt Ordinary Least Square regression analysis with the aid of SPSS 20.0 software for the time series data in order to determine the relationship between the variables.

The study adapted and modified the model used by Lawal, Abubakar and Salau, 2020. This is shown as: $ROAit = \alpha + \beta 1MSFit + \beta 2UBSit + \beta 3PBSit + \beta 4RFIit + \mu it$ (i)

Our study modified the model as follows:
In a functional form, we have ROA = f(MPT, ATM, POS, WPT) (ii)
The linear regression model to empirically test the hypothesis formulated is:
$ROAit = \alpha + \beta 1MPTit + \beta 2ATMit + \beta 3POSit + \beta 4WPTit + \mu it$ *(iii)*
Where:
ROAit = Return on Assets for firm in time period t.
MPTit = Mobile Payment Transactions for company in time period t.
ATMit = Automated Teller Machine for company in time period t.
POSit = Point of Sales for company in time period t.
WPTit = Web Pay Transactions for company in time period t.
$\beta 1$ - $\beta 4$ is the coefficients of the model variables and μit is the model error.

Table 1 Operational Variables

Variables	**Type of Variable**	**Measurement**
Return on Assets	Dependent	Ratio of profit after tax/total assets
Mobile Payment Transaction	Independent	Number of 100,000 adults that use their mobile device to make a payment
Automated Teller Machine	Independent	Number of ATMs transactions per 100,000 adults
Point of Sales	Independent	Number of POS transactions per 100,000 inhabitants.
Web Pay Transaction	Independent	Number of Web pay (internet) transactions per 100,000 adults

Source: Researcher, 2023

Results and Discussion
Test of Hypothesis
Hypothesis 1
H_o: Mobile payment transactions have no significant effect on the return on assets of financial institutions in Nigeria.
H_1: Mobile payment transactions have significant effect on the return on assets of financial institutions in Nigeria.

Table 2: ANOVA[a] Result: Mobile Payment Transaction and Return on Asset

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.000	1	.000	.002	.963[b]
	Residual	.071	7	.010		
	Total	.071	8			

a. Dependent Variable: Return on Asset
b. Predictors: (Constant), Mobile Payment Transaction

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Table 3 Regression Coefficients for Mobile Payment Transaction and ROA

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.392	.042		9.283	.000
	Mobile Payment Transaction	-6.332E-12	.000	-.018	-.048	.963

Table 4 Model Summary[b] for Mobile Payment Transaction and ROA

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.018[a]	.000	-.142	.10080	2.454

a. Predictors: (Constant), Mobile Payment Transaction
b. Dependent Variable: ROA
Note: r^2 = 0.00, f(1,7) =0.002, p= 0.963
Source: SPSS Output, 2023

From Table 4. (model summary) shows that R square and the adjusted R square are 0.000 and -.142. This implies that 0% variation experienced in Return on Asset among the sampled variables was explained by mobile payment transaction. More so, It was observed from Table 2 (ANOVA Table) that mobile payment transaction is statistically insignificant to predict the return on asset since the probability value obtained (p-value), that is 0.963, is greater than 0.05 (P> 0.05). This was further confirmed in Table 3 where the coefficient of mobile payment transaction indicated a negative (T, -.048) mobile payment transaction on return on asset. Based on the analysis above, the null hypothesis (H_0) is accepted while alternative hypothesis (H1) is rejected; which state that mobile payment transaction has no significant effect on return on asset of financial institutions in Nigeria. This finding is inconsistent with observations made by Anselm Ngwa (2020), Okon and Amaegberi (2018); Obiekwe and Anyanwaokoro (2017), who in their studies discovered positive significant relationship between mobile payment transaction and return on assets, but is consistent with observations made by Gelle, Mwambia and Kimanthi (2023); Oranga and Ondabu (2018) who revealed an insignificant relationship between mobile payment transaction and return on asset.

Hypothesis 2

H_o: Automated teller machine has no significant effect on the return on assets of financial institutions in Nigeria.

H_1: Automated teller machine has significant effect on the return on assets of financial institutions in Nigeria.

Table 5 ANOVA[a] Result: Automated Teller Machine and ROA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.000	1	.000	.006	.943[b]
	Residual	.071	7	.010		
	Total	.071	8			

a. Dependent Variable: Return on Asset
b. Predictors: (Constant), ATM
Source: SPSS Output, 2023

Table 6: Regression Coefficients for Automated Teller Machine and ROA

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.396	.076		5.212	.001
	ATM	-6.720E-12	.000	-.028	-.075	.943

Source: SPSS Output, 2023

Table 7: Model Summary[b] for Automated Teller Machine and ROA

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.028[a]	.001	-.142	.10078	2.449

Note: r^2 = 0.001 f(1,7) =0.006, p= 0.943
Source: SPSS Output, 2023

From Table 7 (model summary) shows that R square and the adjusted R square are 0.001 and -.142. This implies that 1% variation experienced in Return on Asset among the sampled variables was explained by automated teller machine. More so, It was observed from Table 5 (ANOVA Table) that automated teller machine is statistically insignificant to predict the return on asset since the probability value obtained (p-value), that is 0.943, is greater than 0.05 (P> 0.05). This was further confirmed in Table 6 where the coefficient of automated teller machine indicated a negative (T, -.075) automated teller machine on return on asset. Based on the analysis above, the null hypothesis (H_0) is accepted while alternative hypothesis (H1) is rejected; which state that automated teller machine has no significant effect on return on asset of financial institutions in Nigeria. This finding is consistent with the study of Nwakoby et al. (2020); Aliabadi, Gheysari and Ahmadian (2016); Usman (2020), who in their studies discovered negative insignificant relationship between automated teller machine and return on asset but inconsistent with observations made by Yunus, Abdulrafiu, Abdulmumin, Opefolu and Hanafi (2013); Jimoh, Shittu and Attah (2019); Nzyuko and Jagongo (2017); Frank and Binaebi (2019);

Muotolu and Nwadialor (2019) study that revealed a significant positive relationship between automated teller machine and return on asset.

Hypothesis 3

H_o: Point of sales does not have significant effect on the return on assets of financial institutions in Nigeria.

H_1: Point of sales has significant effect on the return on assets of financial institutions in Nigeria.

Table 8 ANOVA[a] Point of Sales and ROA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.003	1	.003	.267	.621[b]
	Residual	.069	7	.010		
	Total	.071	8			

a. Dependent Variable: Return on Asset
b. Predictors: (Constant), pos
Source: SPSS Output, 2023

Table 9 Regression Coefficients for Point of Sales and ROA

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.400	.038		10.597	.000
	Pos	-2.073E-11	.000	-.192	-.517	.621

Source: SPSS Output, 2023

Table 10 Model Summary[b] for Point of Sales and ROA

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.192[a]	.037	-.101	.09895	2.260

Note: $r^2 = 0.037$ $f(1,7) = 0.267$, $p = 0.621$
Source: SPSS Output, 2023

From Table 10 (model summary) shows that R square and the adjusted R square are 0.037 and -.101. This implies that 37% variation experienced in Return on Asset among the sampled variables was explained by point of sales. More so, It was observed from Table 8 (ANOVA Table) that point of sales is statistically insignificant to predict the return on asset since the probability value obtained (p-value), that is 0.621, is greater than 0.05 (P> 0.05). This was further confirmed in Table 9 where the coefficient of point of sales indicated a negative (T, -.517) point of sales on return on asset. Based on the analysis above, the null hypothesis (H_0) is accepted while alternative hypothesis (H1) is rejected; which state that point of sales has no significant effect on return on asset of financial institutions in Nigeria. This finding is consistent with observations made by Frank and Binaebi (2019); Muotolu and Nwadialor (2019); Obiekwe and Anyanwaokoro

(2017), who in their studies discovered that there is an insignificant relationship between point of sales and return on assets but inconsistent with observations made by Nwakoby et al. (2020); Usman (2020), who revealed a significant relationship between point of sales and return on asset.

Hypothesis 4

H_o: Web pay (internet) has no significant effect on the return on assets of financial institutions in Nigeria.

H_1: Web pay (internet) has significant effect on the return on assets of financial institutions in Nigeria.

Table Table 11 ANOVA[a] Web Pay (Internet) Transaction and ROA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.002	1	.002	.155	.705[b]
	Residual	.070	7	.010		
	Total	.071	8			

a. Dependent Variable: Return on Asset
b. Predictors: (Constant), Web Pay (Internet)
Source: SPSS Output, 2023

Table 12: Regression Coefficients for Web Pay (Internet) and ROA

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.384	.038		10.225	.000
	Web Pay (Internet)	3.640E-12	.000	.147	.394	.705

Source: SPSS Output, 2023

Table 13 Model Summary[b] for Web Pay (Internet) transaction and ROA

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.147[a]	.022	-.118	.09972	2.558

Note: r^2 = 0.022 f(1,7) =0.155, p= 0.705
Source: SPSS Output, 2023

From Table 13 (model summary) shows that R square and the adjusted R square are 0.022 and -.118. This implies that 22% variation experienced in Return on Asset among the sampled variables was explained by web pay. More so, It was observed from Table 11 (ANOVA Table) that web pay (internet) transaction is statistically insignificant to predict the return on asset since the probability value obtained (p-value), that is 0.705, is greater than 0.05 (P> 0.05). This was further confirmed in Table 12 where the coefficient of web pay transaction indicated a positive (T, .394) web pay transaction on return on asset. Based on the analysis above, the null hypothesis (H_0) is accepted while alternative hypothesis (H1) is rejected; which state that web pay transaction has no significant effect

on return on asset of financial institutions in Nigeria. This finding is consistent with observations made by Usman (2020), Muotolu and Nwadialor (2019) who in their studies discovered that there is insignificant relationship between web pay (internet) transaction and return on asset but inconsistent with observations made by Dahham (2023), Nzyuko and Jagongo (2017), Frank and Binaebi (2019) who revealed a significant positive relationship between web pay transaction and return on asset.

Conclusion and Recommendations

The study examined the effect of financial inclusion on the performance of financial institutions in Nigeria. Financial inclusion requires particular attention to specific portions of the population historically excluded from the formal financial sector either because of level of financial literacy, distance from banks' location, their income levels and volatility, and low knowledge of operational activities of commercial banks and the insurance company's. This study concludes that there is negative and insignificant relationship between financial inclusion variables and the performance of financial institutions in Nigeria. Based on the findings of the study recommends that there is the need for government, corporate organizations, insurance companies and commercial banks in particular, as a matter of necessity provide affordable critical infrastructure such as power, access to internet, to enhance performance service delivery to all cities and towns in Nigeria as this will increase consumer's patronage of mobile payment transactions and point of sales, particularly the unbanked populace in the villages which would ultimately increase financial inclusion. Financial institutions of the same nature as banks should also be encouraged to come up with policies that aim towards increasing the number of financial inclusion target, by design a strategy towards enhancing the automated teller machines in term of its availability not only the cities also in the rural areas, improve on its networking and its ability to dispense different Naira denomination. Such policies will open up the firms to new clients and new sources of revenues and increase financial performance.

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