Impact of Financial Sector on Nigeria's Economic Growth

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Abstract

This study investigated the impact of banking sector on Nigeria's economic growth that was measured by the Gross Domestic Product (GDP) during the period (2000–2019). The study selected GDP as a dependent variable which is measured by five independent variables namely total bank deposit (TD), Total bank asset (TA), Total loan and advances (TL), Money supply (MSP), and foreign direct investment (FDI). These variables are indicators of banking sector and affect the economic growth in Nigeria. The data for the variables were sourced from World development index, central bank of Nigeria annual reports. The variables were subjected to Johansen Co-integration technique to explore their long-run relationship. Phillips-Peron tests were conducted to examine stationarity (unit root) and the order of integration of the variables followed by the error correction model (ECM). The findings revealed that there is strong relationship between banking sector and the economic growth. The study thus recommended adoption of policies and actions that will develop the Financial Sector (FS) in the form of increased banking credits to the private sectors, robust and efficient capital market as well as increase flow of foreign direct investment to the FS of the economy. This will ultimately impact significantly and positively on the real gross domestic product in the form of economic growth.

Keywords: Bank Assets, Bank Loan, Banking Sector, GDP and Money Supply

Introduction

The role of banking industry in economic growth and development has become an essential issue discussed in both theoretical and empirical literature. Economic growth theory believes that financial institutions specially bank is considered a valuable instrument for improving the productive capacity of the economy and its significant internal source of fund for any country especially in the take-off stages of economic growth (Schumpeter, 1911). The importance of banks in generating growth within an economy has been widely acknowledged, for example Anyawu (2010) identified bank's role in facilitating technological innovation through their intermediary role. Schumpeter believed that efficient allocation of savings through identification and funding of entrepreneurs with the best chances of successfully implementing innovative products and production processes are tools to achieve real growth.

FS helps to promote the systematic delivery of products and services, management risk, easier payments. Banking industry boosts economic growth via increasing capital accumulation efficiency by ensuring smooth flow of both monetary and fiscal policy. Evidently, banking system is central to the economic growth through its capability in gathering and encouraging

more deposits from savers. In fact, it's perceived to be an integral part that lied the solid foundation for socioeconomic development and general prosperity.

However, despite the strategic importance of the real sector, and the rapid growth experienced in the FS in Nigeria, the FS has not impacted positively on the real economy as much as anticipated. Development finance institutions set up for specific purposes, such as agricultural finance, housing finance, trade finance, urban development, did not achieve their stated mandates. Also, credit flow from the deposit money banks to the real economy has been grossly inadequate (Anyanwu, 2010). According to CBN (2019), in 2017, agriculture, manufacturing, power and energy and construction benefited by only N528.24bn, N2,171.37bn, 3,576.32 and 453.91bn respectively. An assessment of the National Accounts of Nigeria indicates that the real sector contributes over 60.0 per cent to the gross domestic product (GDP), but attracts only about 40.0 per cent of total credit. Worse still is the case of agriculture which contributes over 40.0 per cent of the GDP but attracts less than 2.0 per cent of total credit. Banks were reluctant to lend for real sector activities for reasons such as poor managerial ability, ability to repay, unfavourable growth prospects in the sub-sector, inherent risk and insufficient collateral (Anyanwu, 2010).

Even though one of the major causes of serious banking problems continues to be an ineffective credit risk management, the provision of credit remains the primary business of every bank in the world. Despite ideas the fact that conventional FS promotes economic growth the empirical literatures are yet to reach consensus to date on the directional relationship between the banking industry and the economic growth, this clearly indicates that many of the central issues of interest still remained unclear and generate various outcomes. Moreover, these further strengthen the need to embark on deep investigation to ascertain the role for banking industries on economic growth.

It is in the light of the above that this study seeks to empirically examine impact of banking industry on economic growth over the period 2000-2019 using annual time series data. Using variables such as total assets of banks, total deposits, total investments, and total loans and advances in relation to the banking sector as dependent variables while the independent variable is economic growth proxied by GDP.

Review Related Literature

Sulemana and Dramani (2020) conducted a comparative analysis of the effect of Financial sector development (FSD) on economic growth between Economic Community of West African States (ECOWAS) and Southern African Development Community (SADC). The results suggested that FSD-led growth in SADC but the analysis revealed FSD has no statistically significant effect in ECOWAS. Furthermore, the effect of FSD through institutional development supported a positive complementarity effects on growth in both regions but only statistically significant in ECOWAS, suggesting that institutions strongly influence FSD effects on growth.

Guru and Yadav (2019) examined the relationship between financial development and economic growth for five major emerging economies: Brazil, Russia, India, China and South (BRICS) during 1993 to 2014 using banking sector and stock market development indicators. The study used generalized method of moment system estimation (SYS-GMM), on the he banking sector development indicators of financial intermediaries, credit to deposit ratio (CDR) and domestic credit to private sector (CPS); stock market development indicators of

value of shares traded and turnover ratio; and some macroeconomic control variables such as inflation, exports and the enrolment in secondary education. Results from the dynamic one-step SYS-GMM estimates confirm that in presence of turnover ratio, all the selected banking development indicators such as size of financial intermediaries, CDR and CPS are positively significantly determining economic growth. Similarly, in presence of all the selected banking sector development indicators, value of shares traded is found to be positively significantly associated with economic growth. However, the same is not true when turnover ratio is regressed in presence of banking sector variables. Overall, the evidence suggests that banking sector development and stock market development indicators are complementary to each other in stimulating economic growth.

In the same vein, Goldsmith (1969) examined the relationship between banking sector and economic growth with special emphasis on the link between size of banking sector, supply and quality of financial intermediation using 35 countries as sample. The result shows positive links between banking sector and economic growth.

Ulamani, investigated the direction of causality between financial development and economic growth in Turkey using Granger non-causality in the context of VEC model. Annual data from 1990 to 2001 were used. The study found that except for one proxy of the proxies used, causality runs from financial development to economic growth in the short run.

Medjahed and Gherbi (2016) examined the role of banking sector development on growth using 11 MENA countries from period 1980 to 2012. Their findings show that financial development has negative impact on short and long run relation with economic growth of MENA countries.

Moreover, Zhao (2017) examined the impact of financial development of economic output using data from 286 Chinese cities between 2007 – 2014, using the cross-sectional regression model as a tool for the analysis. The finding revealed that financial development does not have any significant positive effects on Chinese economic growth. In addition, Prochniak and Wasiak (2017) analyzed the impact of financial system on economic growth using 28 EU and 34 OCED economies from the period of 1993 until 2013, using domestic credit, nonperforming loan, capital to assets ratio, market capitalization as explanatory variables and gross domestic product as dependent variable. The result revealed significant positive relationship between banking system and macroeconomic performance.

The single country study by Mwang'onda *et al* (2018) on Tanzania employed Autoregressive Distributed Lags (ARDL) in investigating the impact of FS on economic growth. The results show that, in both long-run and short-run, financial development exerts significant but negative effect on economic growth contrary to our expectations. The study employs the ratio of broad money to GDP (financial depth) as a proxy measure of financial development, along with inflation rate, real interest rate, real exchange rate, share on of investment to GDP, proportion of development expenditure to total expenditure and dummy for structural reforms as control variables during our estimations. Results also suggest non-existence of causality between financial development and economic growth.

On Cameroonian economy, Puatwoe and Piabuo (2018) investigated the impact of FSD on Economic growth using time series data on three common indicators of financial development (broad money, deposit/GDP and domestic credit to private sector). Using the ARDL technique of estimation, the findings shows that there exist a short-run positive relationship between

monetary mass (M2), government expenditure and economic growth, a short run negative relationship between bank deposits, private investment and economic growth equally exists. However, in the long run, all indicators of financial development show a positive and significant impact on economic growth.

The study of Aloqool (2014) entitled financial banking development and economic growth. The study tests the relationship between the services provided by the banks and the economic growth in Jordan from 1980 to 2012. The study also examined the relationship between the gross financing and the total savings and growth, the study confirmed the relationship between total funding and GDP, in addition, the study examined the relationship between deposits and GDP and reached a confirmation of the positive relation between the increase in deposits and growth in GDP.

Khan and Senhadji (2000) found that the banking sector has main seven functions, Firstly, making a transaction costs related to external finance for both households and companies reduced, by mobilizing savings by pooling households' savings and making them available for lending. The process is clear and has an ease of cooperation, such that firms save money by going directly to the financial institution. In same manner, savers are concerned only on save their money in the financial institution, which means it is not important who will borrow their money there.

Studies on Nigeria includes Olushola and Uzoma (2018) that examined the relationship between FSD and economic growth in Nigeria using data covering the period 1981 – 2017. Using the ordinary least square regression followed by the error correction model (ECM), the results shows that there is a positive (+ve) and significant relationship between total insurance income and economic growth in Nigeria. Also the model taken as a whole suggested that there is a positive and significant relationship between deposit money banks assets, stock market capitalization and economic growth in Nigeria. The broad money supply, though had a significant impact on the economic growth of Nigeria, the effect is negative in the model.

Adeniyi (2015) investigated the effect of FSD in Nigeria using the data from 1980 to 2013, by applying ordinary least square (OLS) Regression and found positive relationship between economic growth in Nigeria and all the stock market development variables used. The result showed that economic growth in Nigeria is adequately explained by the model for the period 1980 and 2013. By implications 98 percent of the variation in growth of economic activities is explained by the independent variables based on his findings.

Hashim (2013) examined FSD and economic in Nigeria. The study unlike most early studies; the major empirical results show that financial deepening does not have influence on economic growth. The VAR results indicate that changes in net domestic credit impact on economic growth while per capital output also influences net domestic credit and economic growth. Changes in deposit liabilities appear to have no major impact on economic growth. Samson and Elias (2010) investigated the impact of FSD on economic growth in Nigeria, using competing financial growth nexus hypothesis using granger causality tests in VAR framework over the period 1969 to 2009. The empirical results revealed the bidirectional causality between some of the proxies of financial development.

Methodology

The data for the study were series for the period (2000 – 2019). Econometrically, the regression model can be specified as follows:

$$GDP = \beta 0 + \beta 1 TD + \beta 2 TA + \beta 3 TLA + \beta 3 MSP + \beta 4 CRA + \beta 5 FDI + U \ldots.(1)$$

Where; GDP = Gross domestic product, TD= Total Deposits, TA= Total Assets
TL= Total Loan and Advances, MSP = Money supply, M2,
CRA = Credit allocation by banking sector (Guaranty trust bank) to the domestic economy
FDI = Foreign direct investment, and **U** = Error Term.

Model Estimation

This study tested for stationarity of the variables within the framework of Philips Peron (PP) test procedure. This test is important in order to avoid spurious regression which is a common problem when estimating a regression line with data whose generated process follows a time trend. The test requires estimating an equation of the form:

$$\Delta y_t = \beta_0 + \beta_1 y_{t-1} + \beta_2 t + \sum\sum_{i=1}^{p} \Delta y_{t-i} + Z \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots..(2)$$

$H_0 : \beta_{1=} ; H_1 : \beta_1 > 0$

Where, y is a vector for all-time series variables under consideration in a particular regression model (our t variables of interest); t is a time trend variable; Δ denotes the difference operator; Z is the error term; p is the optimal lag length

After checking the properties of the univariate series, the study thus, proceeded with testing for co-integration among the variables of interest. The basic idea behind co-integration is that, if in the long-run, two or more series move closely together. This study applied the Johansen Co-integration developed by Johansen (1988) and applied by Johansen and Juselius (1990) to determine the number of co-integrating vectors.

After the testing for the co-integration relationship, the next task is to test for causality between economic growth and FSD using Nigeria's data in a multivariate case based on the following regressions:

$$\Delta GDP_t = \Omega_{10} + \sum_{i=1}^{s} \Omega_{11i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{12i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{13i} \Delta TA_{t-i} + \sum_{i=1}^{q} \Omega_{14i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{15i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{16i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{17i} \Delta FDI_{t-i} + \delta_1 \mu + E_t \ldots\ldots\ldots,,. (3)$$

$$\Delta TD_t = \Omega_{20} + \sum_{i=1}^{s} \Omega_{21i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{22i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{23i} \Delta TA_{t-i} + \sum_{i=1}^{q} \Omega_{24i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{25i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{26i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{27i} \Delta FDI_{t-i} + \delta_2 \mu + E_t \ldots\ldots\ldots\ldots\ldots(4)$$

$$\Delta TA_t = \Omega_{30} + \sum_{i=1}^{s} \Omega_{31i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{32i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{33i} \Delta TA_{t-i} + \sum_{i=1}^{q} \Omega_{34i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{35i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{36i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{37i} \Delta FDI_{t-i} + \delta_3 \mu + E_t \ldots\ldots\ldots(5)$$

$$\Delta TLA_t = \Omega_{40} + \sum_{i=1}^{s} \Omega_{41i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{42i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{43i} \Delta TA_{t-i} + \sum_{i=1}^{q} \Omega_{44i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{45i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{46i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{47i} \Delta FDI_{t-i} + \delta_4 \mu + E_t \ldots\ldots\ldots(6)$$

$$\Delta TMSP_t = \Omega_{50} + \sum_{i=1}^{s} \Omega_{51i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{52i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{53i} \Delta TA_{t-i} + \sum_{\square=1}^{\square} \Omega_{54i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{55i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{56i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{57i} \Delta FDI_{t-i} + \delta_5 \mu + E_t \ldots\ldots\ldots(7)$$

$$\Delta CRA_t = \Omega_{60} + \sum_{i=1}^{s} \Omega_{61i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{62i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{63i} \Delta TA_{t-i} + \sum_{i=1}^{q} \Omega_{64i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{65i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{66i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{67i} \Delta FDI_{t-i} + \delta_5 \mu + E_t \ldots\ldots\ldots(8)$$

$$\Delta FDI_t = \Omega_{70} + \sum_{i=1}^{s} \Omega_{71i} \Delta Gdp_{t-i} + \sum_{i=1}^{q} \Omega_{72i} \Delta Td_{t-i} + \sum_{i=1}^{q} \Omega_{73i} \Delta TA_{t-i} + \sum_{i=1}^{q} \Omega_{74i} \Delta TLA_{t-i} + \sum_{i=1}^{q} \Omega_{75i} \Delta MSP_{t-I} + \sum_{i=1}^{q} \Omega_{76i} \Delta CRA_{t-i} + \sum_{i=1}^{q} \Omega_{77i} \Delta FDI_{t-i} + \delta_6 \mu + E_t \ldots\ldots\ldots(9)$$

Where GDP, $TD_{t,}$ $TA_{t,}$ TLA, MSP, CRA, and FDI are difference stationary and co-integrated with μ_{t-1}, η_{t-1} and θ_{t-1} representing the lagged values of the error terms from co-integrating regressions. The random errors are given by U_{t1} U_{t2} U_{t3} U_{t4} U_{t5} *and* U_{t6}, and capture all short-run deviation determined by Akaike information criterion (AIC).

The lagged changes in the independent variable can be interpreted as representing the short-run causal impact, while the error terms provide the adjustment of ΔGDP, ΔTD, ΔTLA, ΔMSP, ΔCRP, and ΔFDI t towards their respective long-run equilibrium, the test of the statistic on the respective error correction term can also lead to infer causality.

Result of the Findings

The procedure employed in the analysis of the data used in the study is outlined as follows:

Unit Root Test

The summary of the results of the unit root tests is contained in Table 1 below. From the Table, all the variables were not stationary at levels but were stationary at their first difference.

Table 1: Unit Root Test Results

VARIABLES	PP-TEST	CRITICAL VALUE OF PP TEST	ORDER OF INTEGRATION
GDP	-6.2555	-3.9228 at 1%	1(1)
TD	-5.9500	-3.8047 at 1%	1(1)
TL	-10.0441	-3.8977 at 1%	1(1)
TLA	-3.9512	- 3.7457 at 1%	1(1)
MSP	-4.3920	-3.7847 at 1%	1(1)
CRP	-4.0098	-3.4322 at 1%	1(1)
FDI	-7.3469	-4.8572 at 1%	1(1)

Source: computation using E-Views 9.0 Software by the Researcher

Results of Johansen Maximum Likelihood Co-integration test

After conducting the unit root test, this study applies the Johansen and Juselius (1990) maximum likelihood method to investigate whether there is more than a single co-integration relationship among the variables of interest. At 5% significance level, the trace test indicates 2 co-integrating equations while the maximum eigenvalue test indicates 1 co-integrating equation among the variables.

Table 2. Johansen Co-integration Rank Test for Trace and Maximum Eigenvalue

Hypothesized No. of CEs	Eigen value	Trace Stats	0.05 Critical value	Prob	Max-Eigen Stats	0.05 Critical value	Prob
None	0.808290	171.0570	134.6780	0.0001	59.46371	47.07897	0.0015
At most 1	0.654748	111.5933	103.8473	0.0139	38.28534	40.95680	0.0970
At most 2	0.593101	73.30792	76.9727	0.0920	32.37085	34.80587	0.0950
At most 3	0.414046	40.93707	54.07904	0.4241	19.24248	28.58808	0.4720
At most 4	0.254373	21.69459	35.19275	0.6160	10.56707	22.29962	0.7884
At most 5	0.160065	1.12753	20.26184	0.5299	6.279511	15.89210	0.7560
At most 6	0.125993	4.848017	9.164546	0.3005	4.848017	9.164546	0.3005
At most 7	0.223982	4.839016	8.164546	0. 1205	5.848417	8.163545	0.2005
Trace Test Trace test indicates 2 cointegrating eqn(s) at the 0.05 level							

Source: computation using E-Views 9.0 Software by the Researcher

Trace Test Trace test indicates 2 co-integrating equation (s) at the 0.05 level.

Thus, the null hypotheses of no co-integration are rejected, implying long-run co-integration relationships amongst the variables, when normalized for a unit coefficient on GDP, the co-integrating regression of economic growth in Nigeria can be given in Table 2:

Table 3. The Co-integration Coefficients (Dependent Variable: GDP)

Variables	Coefficient	Standard Error	t-Statistics
TD	0.036692	0.00876	4.18858
TL	0.208855	0.18348	1.13830
TLA	0.067767	0.02657	2.55051
MSP	0.037652	0.00985	3.82254
FDI	0.037110	0.00812	4.570110

Source: computation using E-Views 9.0 Software by the Researcher.

The coefficient of the total deposit is positive as expected based on theory. It is statistically significant at 5 percent significance level. Specifically, a unit increase total deposit (TD) will cause real GDP per capita to increase by 0.036 approximately, ceteris paribus. It can be inferred that total deposit has a positive impact on GDP in Nigeria. This underscores the importance of total deposit as an essential mechanism that promote economic growth in Nigeria.

The long run results also revealed yet another fruitful outcome which is in adherence with expectation as economic theory suggests. The result revealed that the coefficient of total asset (TA) has a positive impact on economic growth. It is statistically significant at 1 percent level. A unit increase in total asset will lead to increase in economic growth by 0.288 approximately, all other things remaining the same. This interesting result obtained from the empirical study confirms that banking sector total assets generates direct growth impacts on the wider economy. The result further indicated that a one percent increase total loan and advances (TA) by 1 unit will greatly influence the GDP by 0.067, all other things remaining the same. This indicates that bank total loan and advances have a substantial and statistically significant effect on Nigerian GDP growth in the long-run. This result obtained is inconsistent with theory and concur with findings of Aliyu (2013)**,** and James and Warwick (2005). This means that increase in total loan and advances of will positively increases the strength level of economic growth in Nigeria. The coefficient of MSP is positively and statistically significant at 1 percent significance level. A one percent increase in money supply (MSP) will cause GDP to increase by 0.037 percent, ceteris paribus. This result obtained means that, banking sector mobilize and channel financial resources through institutions or intermediaries from surplus economic units to deficit units. Banks augment investment by identifying and funding good business opportunities, mobilizing savings, enabling trading and facilitating the exchange of goods and services. These functions result in a more efficient allocation of resources, rapid accumulation of stock physical capital formation which can be translated to sustainable economic development and at the same time faster technological progress of a nation. An efficient banking system is one of the foundations for building sustained economic growth and an open, vibrant economic system. The coefficient of FDI is positive and statistically significant at the 1 percent level, implying that higher degree of foreign direct investment tend to be performance stimulating for the Nigerian economy and thus its economic growth.

Results of the Estimated Short-Run Dynamic Analysis Model

Finally, the Dynamic Error Correction Model (DECM) and granger causality was conducted to provide information about the speed of adjustment in response to a deviation from the long run equilibrium, which could be useful for policy analysis (Cholifihani, 2008).

Table 4. The estimation of the Dynamic Error Correction Model for GDP equation [Dependent Variable: D(GDP)]

Variable	Coefficient	Std. Error	t-Statistic
Constant	0.066086	0.05078	1.30137
D(GDP(-1))	0.190926	0.19441	0.98207
D(GDP(-2))	-0.159901	0.20005	-0.79930
D(TD(-1))	-0.001052	0.00342	-0.3072
D(TD(-2))	0.001074	0.00349	0.30768
D(TA(-1))	-1.079207	1.99043	-0.54220
D(TA(-2))	0.799855	1.88382	0.42459
D(TLA (-1))	0.019565	0.01048	1.86755
D(TLA(-2))	0.008265	0.00702	-1.17752
D(MSP(-1))	0.008557	0.00487	1.75659
D(MSP(-2))	0.004715	0.00437	1.07950
D(FDI(-1))	-0.000103	0.00026	-0.39367
D(FDI(-2))	-0.000282	0.00025	-1.11103
ECM (-1)	0.203749	0.08256	-2.46793

Sources: computation using E-Views 10.0 Software by the Researcher.

The result of Table 4 is the parsimonious model of error correction mechanism. Its dynamic adjustment to the disequilibrium in the short run. The coefficients of estimated model with TD, TL, TLA, MSP and FDI all lagged one year have been found to be important macroeconomic determinants of economic growth of Nigeria in the short-run. An examination of the econometric results shows that the overall fit is satisfactory with an R-squared of 0.823901, thus 82% of the systemic variation in the dependent variable is explained by the ECM. The estimated coefficient of the error term (-0.203749) has been found statistically significant at 5% level with appropriate (negative) sign. This suggests that the system corrects it previous period's disequilibrium by 20.4 percent.

Conclusion

The result of this study shows that long-run economic growth in Nigeria is largely explained by the economy's FS and the FDI. This indicates that the Central Bank of Nigeria should take necessary measures towards simultaneous development of both banking sector as well as stock market for inducing growth. The Bank should strengthen and improve its banks supervisory roles so as to meet up with the fast-evolving banking businesses in the country. This is necessary for proper monitoring and evaluation of the performance of deposit money banks.

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