JPM Journal of Perspectives in Management

Business School
Federal University
of Pernambuco, Caruaru (PE)

# Bank Financial Intermediaries and Economic Growth in Nigeria

# *Intermediários Financeiros Bancários e Crescimento Econômico na Nigéria*

**Joseph Adeyinka ADEWOLE**
Osun State University, Department of Banking and Finance, Faculty of Management Sciences, Osogbo, Nigeria. ORCID: https://orcid.org/0000-0002-0676-5480. E-mail: joseph.adewole@uniosun.edu.ng

**Mufutau Akanmu POPOOLA**
Global Humanistic University, Sint Willibrordus, Curacao. ORCID: https://orcid.org/0000-0002-4529-0721. E-mail: mufutau20@gmail.com

**Abass Adekunle ADEWALE**
Osun State University, Department of Banking and Finance, Faculty of Management Sciences, Osogbo, Nigeria. ORCID: https://orcid.org/0000-0002-8289-7127. E-mail: abassadewale96@gmail.com

**Gbenga OLORUNMADE**
Federal University Oye-Ekiti, Department of Banking and Finance, Faculty of Management Sciences, Oye Ekiti, Nigeria. ORCID: https://orcid.org/0000-0002-3077-5064. E-mail: gbenga4455@gmail.com

***Received*** *13/12/2022;* ***Accepted*** *22/12/2022.*
***ISSN:*** *2594-8040*

***To cite this paper***: Adewole, J. A., Popoola, M. A., Adewale, A. A., Olorunmade, G. (2022). Bank Financial Intermediaries and Economic Growth in Nigeria. *Journal of Perspectives in Management – JPM*, 6, p. 88-97. https://doi.org/10.51359/2594-8040.2022.256987

***Abstract:*** *This study was motivated by Nigerian banks' inability to provide enough credit towards the real economy sector. The paper investigated the connection between bank financial intermediaries and Nigerian economic growth. The main objective is to evaluate the effect of financial intermediaries on the expansion of Nigeria's economy. The specific objectives are to determine the significant relationship between the deposit money banks credit and overall economic output in Nigeria and to explore the significant connection with both Micro finance bank credit and overall economic output in Nigeria. To accomplish the intended goal, regression analysis was applied in the study. The Central Bank of Nigeria Statistical Report was used as the data source. According to results there was a substantial association between deposit money bank credit and Nigeria's Gross Domestic Product (GDP) over the analysis period. Additionally, there was a strong correlation in Credit Efficiency between Microfinance bank credit and overall economic output. In order to expand their capacity to pay for customer withdrawals and to enhance the credit facilities they make to* *customers for commercial purposes in effort to expand the economic output, the study advises deposit money institutions to promote a higher degree of liquidity. In order to boost GDP, the report also suggests that microfinance banks provide enough credit to the real sector for useful purposes.*

***Keywords***: *Bank Financial Intermediaries; Economic Growth; Deposit Money Banks; Microfinance Banks; real sector.*

***Resumo:*** *Este estudo foi motivado pela incapacidade dos bancos nigerianos de fornecer crédito suficiente para o setor da economia real. O artigo investigou a conexão entre os intermediários financeiros bancários e o crescimento econômico nigeriano. O objetivo principal foi avaliar o efeito dos intermediários financeiros na expansão da economia da Nigéria. Os objetivos específicos foram determinar a relação significativa entre o crédito dos bancos de dinheiro de depósito e a produção econômica geral na Nigéria e explorar a conexão significativa com o crédito dos bancos de micro finanças e a produção econômica geral na Nigéria. Para atingir o objetivo pretendido, a análise de regressão foi aplicada no estudo. O Relatório Estatístico do Banco Central da Nigéria foi usado como fonte de dados. Os resultados demonstram houve uma associação substancial entre o crédito bancário de depósito monetário e o Produto Interno Bruto (PIB) durante o período de análise. Além disso, houve forte correlação na eficiência de crédito entre o crédito do banco de micro finanças e a produção econômica geral. A fim de ampliar a capacidade de pagamento dos saques dos clientes e potencializar as facilidades de crédito que concedem aos clientes para fins comerciais no esforço de ampliar a produção econômica, o estudo orienta as instituições de depósitos monetários a promoverem um maior grau de liquidez. A fim de impulsionar o PIB, o relatório também sugere que os bancos de microcrédito forneçam crédito suficiente ao setor real para fins úteis.*

***Palavras-chave:*** *Intermediários Financeiros Bancários; Crescimento econômico; Bancos de dinheiro para depósito; Bancos de Microfinanças; setor real.*

# 1. Introduction

Financial intermediary's assistance is required by corporations who need someone to serve as an intermediary for the collection of capital from investors (Siklos, 2001). It is often very difficult to get together between these two parties without assistance from financial intermediaries. Financial intermediaries consist of banks, insurance companies, non-bank finance institutions, investment dealers, pension funds and investment bankers. The process of financial intermediation involves reallocating funds the economy has it available by maximizing returns, which are the main the function of financial intermediaries (Akinjare, 2016).

Indeed, it has been demonstrated that the intermediation role, if performed well, can spur economic growth in any country. However, this role of intermediation could be hampered by issues like weak bank and publicly traded company oversight, which could cause them to fail, inadequate data for proper effectiveness and efficiency in the economy, forgery, and internal control, an absence of corporate governance and inadequate risk management policies and strategies, a lack of managerial skill, government interference, corruption, and favouritism (O'Sullivan and Sheffrin, 2003).

Financial institutions are tasked with using a sector's surpluses to pay another sector's deficit, but this can only be done if the sector with the surpluses has faith in the institutions' ability to protect its customers' savings (Efayena, 2014). Only in an economy with stable monetary policy and a solid capital basis could individuals, corporate entities, and the government trust their surpluses to financial institutions. In Nigeria, the financial institution works to raise money from the economy's surplus sector and lend it to the deficit sector. Due to its crucial role in intermediation between those with surplus finances and those in deficit, it is known as a financial intermediary (Ogboghro, 2013).

Financial Institutions has lots of advantages to an individual and to the growth of an economy. These include risk evaluation. A financial institution will set forward a thorough plan with adequate risk evaluation for the amount of loan you have chosen to accept. Financial institutions offer long-term financing that is not offered by commercial banks. Additionally, taking out a loan from a financial institution improves a company's borrowing reputation in the capital market. Surprisingly, the competition for deposit which increased nominal interest rates could not guarantee lower cost intermediation. Compared to before the reform, the banking environment is significantly more inefficient, undercapitalized, riskier, less liquid, and produced a lower return on assets (Soludo and Akiode, 1994; Efayena, 2014). Despite series of reforms undertaken by government and regulatory bodies to strengthen the Nigeria Financial system, Financial Intermediaries still find it difficult to make adequate finance available to the real economic sector in Nigeria.

The questions that were designed to conduct this work states that (i) How does deposit money bank credit significantly affect the Nigerian overall economic output? (ii) Is there any significant connection between Micro-Finance Bank credit and overall economic output in Nigeria?

The broad objective is to evaluate the effect of financial intermediaries on the Nigerian economic growth. The specific objectives are to determine the significant relationship between the deposit money banks credit and overall economic output (GDP) in Nigeria, to examine the significant connection between Micro finance bank credit and overall economic output (GDP) in Nigeria. The hypotheses of this work are formulated in a null form that states that there is no significant relationship between deposit money banks credit and overall economic output (GDP) in Nigeria, there is no significant relationship between Micro-finance bank credit and overall economic output (GDP) in Nigeria.

This work will involve a thorough comparison of the implications of financial intermediaries on Nigerian economic growth for the periods 2000 to 2019. The study selects this time frame to take into consideration structural changes in the supply and demand for credit in Nigeria's deposit money banking system throughout the pre- and post-consolidation era, the study also use the same era for accessing the connection between Microfinance Bank and Economic growth. The study covers Financial Institutions and Economic Development, Liberalization of Finance and economic expansion, Demands follow and supply leading Theory, Financial Repression Theory, Empirical Review, and Critique of gap in the Literature.

This study highlights the essence of fully developed financial system that enhance growth and economic activities of Nigeria. Furthermore, findings from the study will educate the public on various development measures taken so far by the regulatory bodies to strengthen the financial sector. The successfulness of this study will contribute to the body of existing knowledge and serve as a resource for further studies.

## 2. Literature review

Banking Financial Institutions are Commercial Bank which involves in the collection of deposits public for the aim of lending or investing. Commercial banks offer a range of financial services to business entities, including secured and unsecured loans, credit and debit card accounts, Central bank of Nigeria which is an independent national agency that oversees banking regulations, sets monetary policy, and offers financial services including economic research. A central bank of

Nigeria is an autonomous national authority which carries out Monetary policy, bank regulation, and financial services, such as economic research, are provided. It intends to stabilize the country's currency, keeping inflation at bay while reducing unemployment, Retail banks which offer customers with primary banking services. Examples include savings and loan unions, savings banks, Public sector banks where the government has a large interest and they often have to focus on social goals rather than profit maximization, Private sectors banks which are the banks those Ownership, management, and control provide them the freedom to run their business as the market dictates, An investment bank which is a financial institution that assists individual, corporate body and the government leverage capital, Specialized banks which are categorized as foreign exchange banks, development banks, industrial banks, export banks that meet the certain needs of these unique businesses, A microfinance bank is a company authorized by the Central Bank of Nigeria (CBN) to deliver microfinance services.

As stated in the MFB guidelines for Nigeria, the economically active poor, micro, small, and medium enterprises need financial services like savings, loans, domestic funds transfers, and other financial services to operate or expand their businesses, Development Bank is the national or regional financial institution that provides medium to long-term financing for productive investment. The oldest, biggest, and most effective development finance organization in Nigeria is the Bank of Industry Limited (BOI). It was rebuilt by the Nigerian Industrial Development Bank (NIDB) Limited in 2001 and was incorporated in 1964, the Nigerian Agricultural and Cooperative Bank Limited (NACB) was established as a National Agricultural Credit Institution on November 24, 1972 and commenced operation on March 6, 1973. As an aside, the Bank began with Nigerian Agricultural Bank Ltd. (NAB) and was re-named in 1978 on the initiative of the Nigerian government. The government believed that this adjustment would more clearly demonstrate its dedication to agriculture development by supporting and development of cooperative financing, the NACB was created to provide credit facility to the Nigerian economy's agricultural sector with the following precise goals as its primary objective; enhancement of rural Nigerians' income and standard of living; promotion of agricultural production and rural development; contributing to the expansion and development of the Nigerian economy overall.

The following request refers to the role of the financial setup in the development stages has been inactive, and the market's needs determine the financial structure. Patrick (1966), Greenwood and Jovanovic (1990) supported this view. The researchers note that financial institutions simply respond to a demand for financial services. This argument differs from the reasoning of Rajan and Zingales (1998) which claim that developing the financial structure can forecast economic performance because the financial market anticipates growth and hence the dynamics of financial structure development could be a supply leading where financial institutions participate positively in the design and delivery of financial services to the real sector in anticipation of demand. Historically, Nigeria, borrowed from Great Britain, embodies demand in accordance with the type of financial institutions. Whereas Japan and Germany have adopted cutting-edge financial development. Patrick (1966) however noted, however, that the phenomenon is not likely to be static throughout the various stages of economic development. Thus, the scholar pointed out that before sustainable industrial growth begins, advanced supply would induce a truly innovative type of investment. As the real growth process takes place, the supply impulse becomes progressively less important and demand as a result of the financial response becomes dominant.

Okpara et al. (2018) examined the relationship between financial development and economic growth in Nigeria between 1981 and 2014 through co-integrating and VECM analyses, the conclusion was that there is a long-term relation between financial development and economic growth. The study also pointed out that the capital market and economic growth are causally related, but that there is no bidirectional link between the broad money supply, rating of the financial system, market value, and growth of the economy.

Ndubuisi (2017) deployed Granger-causality and Vector Auto-regressive models looked at the effect of financial development and growth in the Nigerian economy using the asset base, liquid obligations and credit to private sector as measures of financial development. It reported that asset base, liquid obligations and He indicated that the asset base, liquid bonds and government expenditures had a negative impact on GDP while credit granted to private sector has significant positive effect on GDP. The outcome of the research showed that there was a long-term causal relationship between GDP, credit to the private sector, and government spending. Similarly, Ndako (2017) reported covering 55 years data from 1960 to 2014 and the method came to similar conclusions. Similar result was obtained by Shittu (2012) deployed the same vector error correction model on 41 years data (1970-2010). This authors came to the conclusion that financial intermediation had a considerable impact on Nigeria's economic growth; whilst a broad money supply had a significant positive impact on the economy, credit to the private sector had a positive but minor impact on GDP in Nigerian. Adediran (2017) recorded a contrary result who established a long-term link between financial intermediation and economic growth in Nigeria while achieving a negative association between the loan-to-deposit ratio and GDP.

Similarly, Biplob and Halder (2018) conducted long run investigation between Bangladesh's economic growth and financial developments, as measured by credit to the private sector and the overall money supply. The outcome of the VECM analysis demonstrated that the money supply and GDP had a bilateral granger causal relationship. However, domestic loans to the private sector had no impact on economic growth.

Conversely, the report of Qamruzzaman and Jianguo (2017) on Bangladesh economy shown that there is a long-term and short-term, bi-directional causal relationship between financial development and economic growth. The finding of Shahbaz et al. (2015) supported this report. The bidirectional relationship between financial development and economic growth was found to be affected by capitalization. Kaushal and Pathak (2015) offered proof that economic growth was not caused by financial development. However, the reverse is not the case. Ono (2017) investigated the existence of both the short run and long run link between financial innovation and economic growth of Russia deployed Granger-causality test. The outcome demonstrated that short-term financial development was boosted by economic growth.

Based on the empirical review, most authors looked at the link between financial development and economic growth (Okpara et al., 2018; Ndubuisi, 2017; Biplob and Halder, 2018; Qamruzzaman and Jianguor, 2017). Also, Jalil and Ma (2008) measured their work with the use of loan to deposit ratio and credit facility to private sector. However, this work is very unique because it combines both deposit money banks and Micro finance Banks relationship with economic growth, the combination makes it quite different from the other works of the authors cited in the empirical review.

## 3. Methods

Ex-post facto research design was adopted. Time Series Annual data on deposit money banks and microfinance banks performance on economic growth were sourced from statistical bulletin of CBN. This approach is deemed suitable since it will be used to determine whether and to what extent there is an impact between two or more quantifiable variables. It includes a comprehensive breakdown of the modelling equations and systems that were employed to attain the study's stated goals.

In this research, the inferential statistics method of data analysis was used (i.e., parametric statistics), such as regression analyses. Statistical Package for Social Sciences (SPSS) was used to present the results. Gross domestic product (GDP) represents the monetary value of all finished products produced within a nation's borders during a particular time frame. Although GDP is typically computed on a yearly basis, it can also be computed quarterly. Thus, two formulae were used to calculate the GDP: (a) Equation (1) used to assess the credit flows of deposit money banks to Nigerian economy, and (b) Equation (2) used to determine the credit flows of microfinance banks to Nigerian economy.

$$GDP= \alpha_o +\alpha_1 TDC+e_i \tag{1}$$

$$GDP= \alpha_o +\alpha_1 TMC+e_i \tag{2}$$

Where: $\alpha_0$ is the Constant (A); $\alpha_i$ is the Regression Coefficients; and $e_i$ is the Error term. TDC (Total Deposit Money Bank Credit) is the amount of credit accessible for a company or individual from Deposit Money banking industry. It is also known as the overall amount of funds Deposit Money Banks is ready to offer an individual or organization. TMC (Total Microfinance Bank Credit) is the amount of credit accessible to a company or individual from the Microfinance banking industry. It is the overall amount of funds Microfinance Banks is ready to offer an individual or organization.

## 4. Case Study

Murtala et al. (2015) investigated the role of financial intermediaries in the sustainable economy growth of Nigeria. Augmented Dickey-Fuller and Phillips-Perron unit root tests, as well as Andrew-Zivot, were used to check the stationary of each variable in the model. The study employed ARDL bounds testing to examine the relationship between financial sector indicators (with particular attention to insurance, bank, and stock market development) and economic growth in both short-run and long-run. Toda Yamamoto Causality was also applied to observe the nature of causality. Their findings suggested that there was a significant positive long-run and short-run relationship between stock market, insurance development, and economic growth.

The result is consistent with theoretical and empirical predictions. However, a negative short-run and long-run relationship existed between bank development and economic growth. The feedback coefficient was negative and significant, suggesting about 0.37% disequilibrium in the previous period was corrected in the current year. They found a stable long-run relationship between economic growth and financial depth, as indicated by the CUSUM and CUSUMSQ stability tests. Bank credit, insurance, value of the stock transaction, and interest rate jointly caused economic growth while bank credit, insurance, value of the stock transaction, and GDP did not jointly cause lending. Their findings are consistent with the view that economic growth is an outcome of the financial development.

The study by Emecheta and Ibe (2014), also probed the role of bank credit on growth in Nigeria for the period 1960-2011. The authors used current GDP as a measure of economic growth and financial deepening variables of bank credit to the private sector (CPS) to GDP ratio and broad money (M2) to GDP ratio and adopted VAR for the analysis and the results holds that there is an impactful linear connection between bank credit and economic growth.

Ogege and Boloupremo (2014) investigated the effect of sectorial credit allocation by deposit money banks in accelerating GDP growth in Nigeria. The authors used time series data from 1973-2011. Engle-Granger Representation Theorem of Error correction was adopted for the analysis and results suggested that credit to the production sector has a significant and real effect on the growth rate of Nigeria whereas general commerce, services and other sectors has a negative and statistically unimportant connection with GDP in Nigeria. The study concluded by saying that commercial banks should be more efficient in credit distribution to accelerate growth.

However, this study intends to examine the relationship between Deposit Money Bank Financial Intermediaries and Economic Growth in Nigeria using regression analysis to test the correlation and significant effect between the dependent and independent variables through the following data in Table 1.

Table 1 – Total Deposit money bank credit (TDC), Total Microfinance Bank Credit (TMC), Gross domestic product (GDP)

| *Years* | TDC (in billions) | GDP (in billions) | TMC (in millions) |
|---|---|---|---|
| *2000* | 508.3 | 6897.48 | 3666.60 |
| *2001* | 796.2 | 8134.14 | 1314.00 |
| *2002* | 954.6 | 11332.25 | 4310.90 |
| *2003* | 1210.0 | 13301.56 | 9954.80 |
| *2004* | 1519.2 | 17321.30 | 11535.80 |
| *2005* | 1976.7 | 22269.98 | 28504.80 |
| *2006* | 2524.3 | 28662.47 | 16450.20 |
| 2007 | 4813.5 | 32995.38 | 22850.20 |
| 2008 | 7799.4 | 39157.88 | 42753.06 |
| 2009 | 8912.1 | 44285.56 | 58215.66 |
| 2010 | 7706.4 | 54612.26 | 52867.50 |
| 2011 | 7312.7 | 62980.40 | 50928.30 |
| 2012 | 8150.0 | 71713.94 | 90422.25 |
| 2013 | 10005.6 | 80092.56 | 94055.58 |
| 2014 | 12889.4 | 89043.62 | 112110.15 |
| 2015 | 13222.65 | 94144.96 | 187247.34 |
| 2016 | 15829.30 | 101498.49 | 196194.99 |
| 2017 | 15775.45 | 113711.63 | 194024.94 |
| 2018 | 15417.47 | 127736.83 | 207963.32 |
| 2019 | 15946.18 | 144210.49 | 262630.00 |

Source: CBN Statistical Bulletin (December, 2019)

# 5. Results and Discussion

Following Eq. (1), 0.964 correlation coefficient (R) means that there was a positive or strong correlation between dependent and independent variables. 92.9% Coefficient of determination (R-Squared) means that 92.9% of the independent variable explained variation in the dependent variable very effectively, and only 7.1% of the disturbance or error term explained variations in the dependent variable. Moreover, 95% degree of confidence interval denotes how much of the calculated confidence intervals are captured by the model's sample data, which is representative of the population as a whole. Variance Inflation Factors (VIF) of 1.00 means that the model does not require further investigations (Table 2).

Table 3 – Coefficients

| Model | 95.0% Confidence Interval for B | | Co linearity Statistics | |
|---|---|---|---|---|
| | Lower Bound | Upper Bound | Tolerance | VIF |
| (Constant) | -6381.206 | 12238.322 | | |
| TDC | 6.229 | 8.197 | 1.000 | 1.000 |

Source: the authors (2022).

In Table 3, 18 degrees of freedom was statistically significant because analysis of variance (ANOVA) p – value < 0.05. Therefore, H1 is accepted and Ho is rejected, meaning that bβ is not equal to zero i.e. there was significant relationship between Deposit Money Bank Credit and Gross domestic product in Nigeria.

Table 3 – Anova

| Model | Sum of Squares | Degrees of freedom (Df) | Mean Square | F | p - value |
|---|---|---|---|---|---|
| Regression | 32074281844.504 | 1 | 32074281844.504 | 237.277 | 0.000[b] |
| Residual | 2433178719.197 | 18 | 135176595.511 | | |
| Total | 34507460563.701 | 19 | | | |

Source: the authors (2022).

Following the Eq. (2), 0.940 correlation coefficient means that there was a positive or strong correlation between dependent and independent variable. 88.4% Coefficient of determination (R-Squared) means that 88.4% variation in the dependent variable was well explained by the independent variable and only 11.6% of the variation in the dependent variable is explained by the disturbance or error term. In Table 4, 95% level of confidence interval means that the samples data of the model reflects the fraction of calculated confidence intervals that encompass an authentic population. Variance Inflation Factors (VIF) of 1.00 means that does not require further investigations.

Table 4 – Coefficients

| Model | 95.0% Confidence Interval for B | | Collinearity Statistics | |
|---|---|---|---|---|
| | Lower Bound | Upper Bound | Tolerance | VIF |
| (Constant) | 982.144 | 3662.565 | | |
| TMC | .053 | .076 | 1.000 | 1.000 |

Source: the authors (2022).

In Table 5, 18 degrees of freedom was statistically significant because Analysis of variance (ANOVA) P – value < 0.05. Therefore, H1 is accepted and Ho is rejected i.e. there was significant relationship between Microfinance Bank Credit andNigerian Gross domestic product.

Table 5 – Anova

| Model | Sumof Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 544923521.352 | 1 | 544923521.352 | 137.058 | 0.000[b] |
| Residual | 71565696.991 | 18 | 3975872.055 | | |
| Total | 616489218.343 | 19 | | | |

Source: the authors (2022).

## 6. Conclusion and Recommendations

It is clear based on the findings of the study that the Nigeria adopted banking reform strategies have focused on providing credit to boost the economy. This has led to an improvement in the supply of credit to the real sector. The conclusion that can be made in light of this study's findings is that high lending rates of banks make many customers/investors to look elsewhere for finance and vice versa. Because of the usage of loans by investors, the bank credit facility continues to considerably enhance the production of goods and services in Nigeria.

Findings showed that giving loan and advances to Deposit Money Banks Customers/Investor have positive effect on Gross Domestic Product of Nigeria because of the usage of the loans for productive purpose by the investors. Also, this means that deficit sector is highly encouraged to produce more through Deposit Money Bank Credit/loan and this have positive effect on GDP. Findings also revealed that giving credit facility to Microfinance Banks Customers/Investor have positive effect on overall economic output of Nigeria because of the usage of the loans for productive purpose by the investors.

The parameter of overall economic output in relationship with Microfinance Bank Credit was statistically significant at 5% means that deficit sector are highly encouraged to produce more through Microfinance Bank Credit/loan and this have positive effect on GDP. The same thing applicable to other countries of the world, availability of adequate credit to bank customers and the utilisation of the credit for productive/business purpose by the bank customers leads to a positive effect on Gross Domestic Product. The finding of this study is useful for other authors because it will be useful as one of their empirical review.

According to the study objective and findings, it is therefore recommended that Deposit money Banks should encourage greater liquidity to improve their capacity to pay for consumer withdrawals and enhance loans and advances to customers for productive purposes in order to increase GDP, Microfinance banks should Banks should provide sufficient finance to the real sector for productive uses to boost the GDP, Bank lending rates ought to be lowered in order for investors to view bank financial intermediaries as the primary source of finance, Commercial banks should make efficient use of the deposits mobilised in effort to improve the level of profitability of banks, which will boost commercial banks' overall assets.

## References

Adediran, O., Ekejiuba, C. P., Matthew, A. O., & Adegboye, F. B. (2017). Co-integration analysis of financial intermediation and economic growth in Nigeria. *Journal of Internet Banking and Commerce*, 22(8), 1-12.

Akinjare, V. (2016). Monetary policy and its effectiveness on economic development in Nigeria. *International Business Management*, 10(22), 5336-5340.

Biplob, N. K., & Halder, P. (2018). Financial sector development and economic growth: empirical evidence from Bangladesh. *Asian Economic and Financial Review*, 8(6), 799-814.

Efayena, O. (2014). Financial intermediaries and economic growth: The Nigerian evidence. *Acta Universitatis Danubius. Economica*, 10(3), 125-135.

Emecheta, B. C., & Ibe, R. C. (2014). Impact of bank credit on economic growth in Nigeria: application of Reduced Vector Autoregressive (VAR) technique. *European Journal of Accounting Auditing and Finance Research*, 2(9), 11-21.

Greenwood, J., & Jovanovic, B. (1990), Financial development, growth and the distribution of income. *Journal of Political Economy*, 98(5), 1076-1107.

Jalil, A., & Ma, Y. (2008). Financial development and economic growth: Time series evidence from Pakistan and China. *Journal of Economic Cooperation*, 29(2), 29-68.

Kaushal, L. A., & Pathak, N. (2015). The Causal Relationship among Economic Growth, Financial Development and Trade Openness in Indian Economy. *International Journal of Economic Perspectives,* 9(2), 5-22.

Murtala, B.U., Siba, D., Ahmad, U.G., Muhammad, R.D., & Ali, U.A. (2015). An empirical study on the relationship between financial intermediation and economic growth in Nigeria: A Cointegration and Causality Analysis. *LOSR Journal of Economic and Financial,* 6 (4), 15-31.

Ndako, U. B. (2017). Financial development, investment and economic growth: Evidence from Nigeria. *Journal of Reviews on Global Economics*, 6, 33-41.

Ndubuisi, P. (2017). An examination of the relationship between financial development and economic growth in Nigeria: Application of multivariate var framework. African Research Review, 11(2), 160-177.

O'Sullivan, A. & Sheffrin, S. M. (2003). *Economics: Principles in Action*. Upper Saddle River, New Jersey 07458: Pearson Prentice Hall. p. 272.

Ogboghro, V.I. (2013), *Financial Institutions and Markets in Nigeria* (Edo): Beulahland Publication.

Ogege, S., & Bolouprermo, T. (2014). Deposit money banks and economic growth in Nigeria. *Financial Asset and Investing*, (1), 41-50.

Okpara, G. C., Onoh, A. N., Ogbonna, B. M., & Iheanacho, E. (2018). Econometrics Analysis of Financial Development and Economic Growth: Evidence from Nigeria. *Global Journal of Management and Business Research*, 18(2).

Ono, S. (2017). Financial development and economic growth nexus in Russia. *Russian Journal of Economics*, 3(3), 321–332.

Patrick H. (1966). Financial development and economic growth in underdevelopment countries. *Economic Development and Cultural Change*, 14 (2).

Rajan, R.G., & L. Zingales (1998). Financial Dependence and Growth, *American Economic Review*, 88(3), 559-86.

Qamruzzaman, M., & Jianguo, W. (2017). Financial innovation and economic growth in Bangladesh. *Financial Innovation,* 3(1), 1-24.

Shahbaz, M., Rehman, I.U., & Muzaffar, A.T. (2015). Re-visiting financial development and economic growth nexus: The role of capitalization in Bangladesh. *South African Journal of Economics*, 83(3), 452-471.

Shittu, A. I. (2012). Financial intermediation and economic growth in Nigeria. *British Journal of Arts and Social Science*, 4(2), 164-179.

Siklos, P. (2001). *Money, Banking, and Financial Institutions: Canada in the Global Environment.* Toronto: McGraw-Hill Ryerson. p. 35.

Sobodu, O. O., & Akiode, P. O. (1994). Bank performance, supervision and privatization in Nigeria: Analysing the transition to a deregulated economy. In *Workshop of the African Economic Research Consortium*, Nairobi (pp. 3-8).