Assessment of the Effect of Agency Banking on Commercial Banks' Performance in Sokoto Metropolis, Nigeria

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***Abstract*: The study assessed the effect of agency banking on commercial banks' performance in Sokoto Metropolis. A survey design was used to carry out the research. The study used a judgmental sampling technique and simple random sampling to pick five respondents from the senior management staff, five employees from operational level staff, and twelve agents for each of the five selected commercial banks. Thus, 110 respondents were selected from five selected banks (Guaranty Trust Bank (GTB), Access Bank Plc, Zenith Bank Plc, First Bank of Nigeria (FBN), and Diamond Bank Plc). A questionnaire designed was used to collect data on a four-Likert scale rating. Descriptive statistics were used in form of percentages, mean, tables, and frequency counts, and inferential statistics inform the t-test to analyze the data. Results of the analysis indicate that agency banking has led to the accessibility of financial services to many customers, particularly in non-banking rural areas which has improved banks' performance. It was concluded that access to effective financial service delivery to customers is a prerequisite to banks' performance which can only be achieved by improving agency banking networks, especially in non-banking areas. The study recommends the need for banks' management to further improve customers' accessibility to effective financial service delivery.**

***Keywords*: Agency banking, performance, commercial**

I. INTRODUCTION

The banking sector is very crucial for the growth of the economy of any country. The country's financial system is composed of financial institutions, such as; banks, insurers, financial markets, market infrastructures, pension, supervisory and regulatory authorities. As saving and investment channels, these components of the financial system provide a roadmap for carrying out various economic transactions and in so doing support economic growth (IMF, 2019). According to the World Bank (2012), the financial system strengthens the economic growth and resource allocation of a country by offering reliable and accessible information with lowering transaction costs; therefore, a stable financial system is a pre-condition for sustainable economic growth.

Banks in developing countries like Nigeria operate in a highly dynamic and competitive environment. Due to the similarity of financial products and services, it is difficult for banks to differentiate from competitors and create a competitive advantage. As a result, the movement towards a customer-based strategy has become crucial not only in attracting potential new customers, but also build relationships, and retaining and satisfying customers. Commercial banks now rely on customer satisfaction as a way of differentiating their service delivery from their competitors, intending to surpass customer expectations and subsequently generate profits and growing market share (Kombo, 2015).

Agency banking means the provision of financial products that banks offer at locations away from traditional banking premises (Modupe, 2010). According to CBN (2014), agency banking is a contractual arrangement whereby the approved financial institutions use third parties to supply financial products to clients. Thus, it is a part of the broader E-Banking system which is aimed at bringing financial services to the doorstep of customers. This requires a contractual agreement within the banking continuum between commercial banks and selected agents to provide specified financial services. Agents are remunerated on a commission basis, depending on the transactions that are carried out usually monthly, quarterly, and/or annually. Agent banks are liable for transactions such as cash withdrawal, cash deposits, payment of bills, bank balance inquiry, cardless deposits (via sim-banking), disbursement and repayment of loans, issuance of mini bank statements, and payment of salaries and forced change of pins.

It is worth noting that, financial performance tracks revenue generation using company assets. Agency banking has only been suitable for commercial services in the earlier years, but this status has changed over the years to allow other non-bank financial institutions to open agents to better serve the Brazilian people. Commercial banks' success is directly linked to how easy access to financial services is for customers. Failure to serve the public effectively will portray a weak sector of banking or financial systems leading to a decline in the financial performance of those banks.

Agency banking was introduced in Nigeria in May 2010, to bring banking services closer to the people, particularly those in rural areas. The remote areas have had accessibility problems to banking services due to poor road networks and almost nonexistent internet connectivity. Traditionally, people had to travel long distances to access banking services. Agency banking improves financial inclusion in unbanked and under-banked areas. The introduction of Agency banking in Nigeria has increased the availability of banking services outside of traditional bank branches. The Central Bank of Nigeria has licensed banks to recruit agents since February 2011, and promulgated policies and procedures to govern the relationships among banks, agents, and customers. These agents can operate at retail outlets such as shops, petrol stations, and supermarkets across the country (Mwende, Bichanga, & Mosoti, 2015).

The cost of maintaining a bank branch is comparatively high; hence the growth of agent networks to increase accessibility across the country, while maintaining cost efficiency. It is estimated that agents have brought banking services close to more than 7 million of the rural Nigerian community that had limited access to banking services. Typically, agents are equipped with a combination of a Point of Sale Machine (PoS) card reader, mobile phone, barcode scanner to scan bills for bill payment transactions, Personal Identification Number (PIN) pads, and personal computers (PCs) that connect with the bank's server using personal dial-up or other data connection to ensure that they can offer seamless services and ensure that the security and confidentiality are not compromised. The agents are also adequately and constantly trained on customer service, bank operations, and basic information technology to ensure they can handle the clients as per the expected standards. There are also constant site visits by the banks' officials to ensure that the agents can operate smoothly.

However, almost every Nigerian commercial bank encounters similar problems in meeting customers` expectations of their services. It is common knowledge, that reaching the unbanked population in far-flung towns and rural areas is prohibitively expensive for financial institutions since transaction numbers and volumes do not cover the cost of setting up a physical branch. New challenges include; claims by operators for the same labor rights as banking employees and discussions about operators' security requirements. These issues require a coordinated approach involving different authorities. In addition, potential disagreements over profit-sharing arrangements between banks and operators of agency banking will arise. The adoption of agency banking is mainly geared towards improving the market share by attracting and retaining customers, improving their financial performance, and creating a variety of services. To this end, it is not clear whether the adoption has led to an increase in the market share and financial performance of commercial banks in Nigeria. In addition, a possible lack of coordination among different stakeholders such as; financial system regulators, financial institutions, and operators, who ordinarily should work in synergy, could arise. The aforementioned problems, therefore, necessitated this study to assess the effect agency banking has on improved commercial banks' performance in Nigeria with particular reference to Sokoto Metropolis.

II. LITERATURE REVIEW

In the recent past, there has been a flow of empirical studies that document the striking level of adoption of agency banking by commercial banks to reach mostly rural areas. Surveys and other empirical studies find that lack of financial access depends foremost on background conditions where, not surprisingly, the institutional variable is crucial in providing information and solving agency problems. Empirical studies show that the solution for the poor is to rely on informal financial services which are more expensive than formal financial and oftentimes unsafe. Karimi (2018) investigated the effects of agency banking on bank performance with a focus on Equity Bank Meru Branch, Kenya. The reason for the selection of Equity Bank was because of its large customer base and because of its growth. The study adopted a descriptive research design and the target population was the eighteen agency bank agents. The study used stratified random sampling to select 11 agents that were used in the study. Both quantitative and qualitative data were collected by the use of questionnaires with both open and closed-ended questions. Data was analyzed and presented using descriptive statistical tools. The findings indicated that the general cost such as; operations and transactions costs were still high even for agency banking, security measures were in place that as physical security though it needed strengthening, transaction security and customer security were not good and needed improvement, and the regulations that were in place for agency banking also needed to be improved. The study recommends strong internal control systems to be put in place which should be flexible and be evaluated periodically to increase efficiency and effectiveness; there should also be frequent updates of regulations and policies that guide agency banking and procedures that are used in the banking and agency industry in Kenya.

Similarly, Oyetoyan, Ajibade, and Popoola (2021) investigated the effect of financial literacy programs, the use of agents and representatives, increased proliferation of ATMs, and Mobile banking services on the financial performance of listed banks in Nigeria. The study adopted a descriptive research design, and the study population included management and operational-level employees of the 5 Deposit Money Banks listed on the Nigerian Securities Exchange. Primary data was collected using questionnaires. The analysis of data was based on SPSS software (version 23) and regression analysis was presented using tables. The study determined that financial literacy programs have a positive but weak impact on the financial performance of selected banks. The use of agents and representatives had a positive and strong effect on the performance of sampled banks. The study recommends that policymakers in financial institutions, such as banks should make use of financial inclusion elements to improve the financial performance of Nigerian banks.

In the same vein, Nwachukwu, Okechukwu, Gyang, and Uju (2019), investigated the relationship between agent banking, mobile money operators, and financial inclusion in Nigeria. A descriptive research design was used. The study population was operators of agency banking and mobile money services located in Jos town and environs. Primary data was gathered through structured questionnaires. Test-retest technique was employed to determine the internal consistency of the instruments by computing Cronbach's alpha. A Cronbach's alpha of 0.619 and above was taken as acceptable reliability. Linear regression was used to analyze the data to determine if agency banking and mobile money operations had a significant relationship with financial inclusion. Findings revealed that cybercrime and reduction of cost of banking services had a statistically insignificant and negative relationship with financial inclusion, while geographical coverage and illiquidity had a positive, but insignificant relationship with financial inclusion. The study concludes that agent banking and mobile money is gaining wide acceptance. It recommends that the government should create an appropriate regulatory context in which innovation can thrive.

More so, Ndegwa (2017), analyzed the effectiveness of agency banking as a financial inclusion strategy in commercial Banks: a survey of selected Commercial Banks in Kiambu Town. The objective of the study was to evaluate the role of agent banking services in promoting financial inclusion in Kenya by analyzing the extent to which geographical coverage and liquidity affect agency banking as a financial inclusion strategy. A cross-sectional survey design was adopted. The study targeted 38 administration managers and supervisors of the commercial banks in Kiambu which had implemented the agency banking model. Census was adopted to include 38 managers and supervisors to participate in the study. The study used a self-administered questionnaire to collect data. Data were analyzed using descriptive (frequency distribution and percentages) and inferential statistics (Regression) using SPSS version 20 for windows. Geographical coverage ($p=0.037$) and liquidity ($p=0.028$) were found to be statistically significant at a 95% confidence level. The study concluded that geographical coverage is the most important benefit and therefore the most significant driver of financial inclusion. The study recommended that banks should seek to provide more services through agent banking to enhance financial inclusion, especially in rural areas. Higher cash deposits and withdrawals should also be allowed since agents don't have problems with liquidity.

In the same vein, Alam, Bhowmik, and Bhowmik (2020) investigated the impact of agent banking on the financial performance of commercial banks in Bangladesh. The financial performance of commercial banks is measured by Return on Equity (ROE). This study is quantitative in nature and to get the result 19 commercial banks in Bangladesh have been taken as samples of the study. Secondary data has been used which is collected from balance sheets and income statements of the sample banks and also from the central bank of Bangladesh, covering the period of 2016-2019. The multiple regression model is used to analyze data on financial performance. The study finds that the number of agents and volume of deposits has a positive and significant impact on the financial performance whereas; the volume of withdrawals and volume of loan disbursement negatively impact the financial performance of commercial banks in Bangladesh, although, the volume of loan disbursement is statistically insignificant. Therefore, the study recommends that Commercial banks in Bangladesh should invest more resources towards increasing their number of agents to increase financial performance and develop deposit mobilization and loan disbursement strategies through agent banking to ensure that their clients use agency banking services.

Similarly, Zebedayo (2020) investigated the impact of Agency Banking on the Performance of Commercial Banks: A Case of the National Microfinance Bank in Ethiopia. A simple random sampling method was used to select respondents. Data were collected by the use of questionnaires and it was analyzed with the aid of the Statistical Package of Social Scientists Program version 25. The findings show that low transaction cost has a significant relationship with Commercial Banks' performance with a coefficient of 0.411, this means 41% of respondents agreed that low transaction cost has a positive impact on commercial banks' performance. Also, financial services accessibility has a significant relationship with Commercial Banks' performance with a coefficient of 0.677, this validates that 68% of respondents in the field agreed that financial services accessibility has a positive effect on the performance of commercial banks. On top of that, the level of deposit volume also has a significant relationship with Commercial Banks' performance with a coefficient of 0.661 and this assures that there is a positive relationship between the level of deposit volume and the performance of commercial banks by 67%. Generally, the study recommended that; commercial banks should fully embrace agency banking since it plays a greater role in increasing the performance of Banks.

Again, David (2016) investigates the impact of agency banking on the financial performance of commercial banks in Kenya. Descriptive research was used in this study. The target population for the study was 17 commercial banks in Kenya that had adopted agency banking as of December 2015. The study used secondary data, which was collected from the CBK bank supervision annual reports and audited financial statements for the banks as well as their annual reports. Annual reports were analyzed for a period of 3 years (2013 – 2015). The study used multiple regression analysis to find out the relationship between agency banking in terms of the number of agents, the volume of transactions undertaken by agents, and the bank size as the control variable and the financial performance of banks as measured by return on assets. The data collected was analyzed using Statistical Package for Social Sciences (SPSS). The findings suggest that the regression model significantly predicts the dependent variable, implying that agency banking has a significant impact on the financial performance of commercial banks. The coefficient of multiple correlations, multiple R, stood at 0.602. The coefficient of determination, R Square, suggests that 36.3% of the variation in the dependent variable results from the variation in the independent variables in the regression model. The large proportion of the variation in the dependent variable suggests that the regression model can explain the role of agency banking in the financial performance of commercial banks. The study concluded that an increase in the number of agents of commercial banks leads to their increased financial performance hence; there is a positive correlation between the number of agent outlets and financial performance. The study findings indicate that there is a strong and positive correlation between the commercial banks' return on assets, the volume of cash transactions, and the banks' size with the financial performance. The variables in the study influence the financial performance of commercial banks jointly. The study recommends that the regulators consider reforming the regulatory framework to encourage more commercial banks to enhance the adoption of the agency-banking model. By adopting an agency, the volume of transactions in commercial banks will increase hence leading to the improvement of financial performance

Moreover, Mwariri and Awuor (2020) investigated the influence of the adoption of agency banking on the financial performance of Micro Finance Institutions in Nanyuki town, Kenya. The theory guiding the study is the Bank Focused theory. The research design adopted was descriptive research design. The target population was 142 management-level employees from the three deposit-taking Micro-Finance institutions. The sample size comprised 41 respondents. Data were collected using questionnaires while data analysis was conducted using Statistical Package of Social Sciences (SPSS) Version 22.0. Descriptive and inferential statistical techniques were used in data analysis. The findings established that market effectiveness was the top attribute of the adoption of agency banking strategy for the managers. Regression analysis indicated that agency banking had a positive linearly significant influence on the financial performance of MFIs. The study concluded that since investment in agents by MFIs has led to increased market share, Return on Equity, and profitability, efforts should continue to increase and support these agents for the enhanced financial performance of MFIs. The study recommended that continuous investment in agency banking through increased recruitment, training, and empowering of agents is an important avenue for MFIs to enhance financial performance.

Similarly, Akighir, Jacob, and Atlanta (2020) investigated the impact of agent banking on poverty reduction in Benue State, Nigeria. The study is hinged on the agency theory, risk management theory, regulatory dialectic theory, and basic needs theory. Focusing on the agent banking activities of First Bank Plc, the study used Taro Yamane's formula to select 199 agents for investigation. A questionnaire was used for data collection but, only 185 copies of the questionnaire were retrieved for analysis. The study employed descriptive tools such as tables and percentages and paired t-tests as well as the Foster, Greer, and Thornbecke (FGT) index. Also, a logit regression model was employed to ascertain whether or not the agent bank has the probability of reducing poverty in Benue State. The study found that engaging in agent banking has the probability of reducing poverty in Benue State, which is typically an agrarian state with high poverty incidence among the highly unbanked population. Agent banking in this unbanked State where only 11 local government areas out of 23 local government areas have the presence of banks has the potential of increasing financial inclusion and enhancing financial literacy. The presence of agent banking in the state, will enhance business sustainability and facilitate financial transactions. It is recommended that financial literacy awareness should be created so that the rural population who has long lived unbanked to accept banking services via agent banking.

Moreover, Nyota and Muturi (2019) investigated the effect of the agency banking model on the financial performance of commercial banks in Kenya with special reference to equity banks, Kisii, Nyamira, and Keroka branches, in Kenya. The research objectives were: to establish the effect of accessibility of banking services on the performance of Equity banks, to establish the effect of total transaction cost in the financial performance of Equity banks, and to establish the effect of market share on the performance of Equity banks. This study was guided by agency theory, financial intermediation theory, and bank-led theory. The study adopted a descriptive case study design with a target population of 88 Equity bank staff and agents. The study used the census method. Data was collected using questionnaires and analyzed using descriptive and inferential statistics. The study found that financial performance has a strong correlation with agency banking factors that include: accessibility cost of offering financial services and market share. Agency banking significantly accounts for the variance in the financial performance of Equity banks. Financial performance increases with the introduction of agency banking which increases access to financial services, reduce the cost of offering the service, and increases markets share. The study concluded that agency banking improves financial performance by increasing access to financial services, lowering the cost of provision of financial services, and enlarging market share.

However, Abdulkadir (2015) investigated factors affecting the adoption of agent banking and electronic banking in the Ethiopian banking industry. A survey design was employed by the use of questionnaires sent out to the respondents. The study population comprised the selected ten banks, namely Commercial Bank of Ethiopia, Awash International Bank, Dashen Bank, Bank of Abyssinia, Wegagen Bank, United Bank, Nib International Bank, Zemen Bank, Birhan International Bank, and Abay Bank. The data collected was analyzed using descriptive statistics. A research framework developed based on a technology-organization-environment framework. The findings of the study revealed that the main challenges faced by the banking industry in the adoption of agent banking and e-banking are lack of adequate national ICT infrastructure, Lack of skilled IT personnel, Lack of government support, Security Risk, Lack of legal and regulatory frameworks and lack of competition between local and foreign banks. This study found that the introduction of third-party retail agents presents several risk factors concerning the effective regulation and supervision of banks. The study also identified perceived ease of use and perceived usefulness as prospects of adopting agent banking and e-banking system. The study recommends that Ethio-telecom should have to support the banking industry by investing in ICT infrastructure developments, establishing comprehensive legal and regulatory frameworks on the use of technological innovation and the use of third-party retail agents in the banking sector, regulator closely monitoring the banking sector and strictly enforcing compliance with the agent banking guidelines, while the banks continuously ensure careful vetting of agents.

In the same vein, Argo (2014) investigates the effect agency banking had on the financial performance of Kenyan commercial banks in 2014. Chase bank was used as a case study. The study also sought to establish the effect of accessibility of banking services, low cost of service, and increased customer transactions through agency banking. The study used a descriptive research design. The target population of this study was 174 staff working at the headquarters of Chase Bank. The study applied stratified random sampling to select 50% of the target population and hence the sample size of this study was 87 respondents. Out of 87 respondents, 84 responses were obtained which represents a 97% response rate. Semi-structured questionnaires were used in the research study to collect primary data. In the data analysis, descriptive statistics were used to analyze quantitative data and the findings were presented in bar charts, pie charts, and tables. Content analysis analyzed data that is qualitative in nature and the findings are presented in prose form. The relationship between the dependent and the independent variables was determined using multivariate regression analysis. The relationships in the study were positive and significant. The relationship between the accessibility of banking services and the financial performance of Chase Bank had a coefficient of 1.251 and a p-value of 0.000. In addition, the relationship between the low cost of service and the financial performance of Chase Bank had a coefficient of 0.800 and a p-value of 0.000.

Theoretical Framework

Agency theory describes how one can frame the engagement in which a principal decides on the responsibilities, while the agent executes them. In the association, the principal engages a hired person or entity to perform duties on behalf of the principal, if he is unable or unwilling to perform to a third party. The theory acts to address the principal-agent relationship. Agency theory is a detailed study developed to examine and analyze conflicts between key stakeholders and develop resolving conflict mechanisms (Ganiyu, 2022).

An agent relation involves the principal, agent, and third party. The bank is the principal, the retail outlets of bank services are the agents and the bank customers are the third parties. These agents offer banks' financial services to customers on behalf of the bank. By the fact that agents are located close to customers, they offer to customers the bank's financial services at the convenience of the customer, lower the cost of the customer accessing bank services, and even promote a saving culture. As clients accrue benefits, on the other hand, banks improve their financial performance due to increased market share, more banking by customers, and lower operations costs.

III. METHODOLOGY

The study adopts a survey design and this is because the study tried to probe the opinion of the participants regarding the effect of agency banking on commercial banks' performance. The study population consisted of all the commercial banks listed in the Nigeria Stock Exchange (NSE) that have branches in Sokoto Metropolis. The study used a judgmental sampling technique and simple random sampling to pick five respondents from the senior management staff, five employees from operational level staff, and twelve agents for each of the five selected commercial banks.

Thus, 110 respondents were selected from five selected banks (Guaranty Trust Bank (GTB), Access Bank Plc, Zenith Bank Plc, First Bank of Nigeria (FBN), and Diamond Bank Plc). This study used a structured questionnaire as a major instrument to collect data from the respondents, the questionnaire was based on four Likert scales of rating.

To analyze data collected through questionnaires, the study employed both descriptive and inferential analysis. Respondents' bio-data was analyzed using descriptive statistics in form of tables, and percentages. The remaining data were analyzed using inferential statistics, independent t-test was employed to test hypotheses at 0.05 significant levels. The analysis was done with the aid of Statistical Package for Social Science (SPSS), 20.0 versions.

IV. RESULTS AND FINDINGS

The respondents' bio-data which includes; the age of respondents, gender, educational level, income, and years of experience in the banking sector, was discussed.

Table 1: Age of the respondents

Age	Number of respondents	Percentage (%)
21-30	15	14
31-40	68	62
41 - above	27	24
Total	110	100%

Source: field survey, (2022)

Table 1 indicates that 15 respondents representing 14% are within the range of 21 - 30 years of age, 68 respondents representing 62% are within the range of 31- 40 years of age while 27 respondents representing 24% are within the range of 41 years above. The analysis indicated that as the respondents advanced in age, they get to know the importance of introducing agency banking for effective service delivery to all customers.

Table 2: Gender of the respondents

Gender	Number of respondents	Percentage (%)
Male	78	71
Female	32	29
Total	110	100

Source: field survey, (2022)

Table 2 indicates that 78 respondents representing 71% are male while 32 respondents representing 29% are female. The analysis indicated that there is more male staff in the banking sector, especially in Sokoto Metropolis, than female counterparts. This is because of the religious background of the state, sensitive administrative positions needed to be handled by men rather than women.

Table 3: Educational Qualification of the respondents

Qualification	Number of respondents	Percentage (%)
Diploma	15	14
First degree	75	68
Second degree	12	11
School Certificate	08	07
Total	110	100%

Source: field survey, (2022)

Table 3 indicates that 15 respondents representing 14% are diploma or National Certificate of Education holders, 75 respondents representing 68% are a first degree or Higher National Diploma holders, 12 respondents representing 11% are second-degree holders, while, 8 respondents representing 7% have other qualifications. The analysis indicated that the respondents have requisite educational qualifications.

Table 4: Years of experience of the respondents

Working Experience	Number of respondents	Percentage (%)
5-10	10	09
11- 15	71	65
16-20	16	15
21 - above	13	11
Total	110	100

Source: field survey, (2022)

Table 4 indicates that 10 respondents representing 9% are within the range of 5 - 10 years of banking experience, 71 respondents representing 65% are within the range of 11 - 15 years of banking experience, 16 respondents representing 15% are within the range of 16- 20 years of banking while 13 respondents representing 11% are within the range of 21 years of banking experience and above. The analysis indicated that the respondents have requisite years of banking experience to handle problems confronting agency banking to ensure effective service delivery to all customers.

Table 5: Approximate income level of the respondents per month

Income	Number of respondents	Percentage (%)
N50,000 - N10,000	10	09
N110,000 - N150,000	71	65
N160,000 - N200,000	16	15
N210,000 above	13	11
Total	110	100%

Source: field survey, (2022)

Table 5 indicates that 10 respondents representing 9% are within the income range of N50, 000 - N10, 000, 71 respondents representing 65% are within the income range of N110, 000 - N150, 000, 16 respondents representing 15% are within the income range of N160, 000 - N200, 000 while 13 respondents representing 11% are within the income range of N210, 000 above. The analysis indicated that the respondents have adequate spendable income.

Table 6: Summary of independent t-test analysis between the accessibility of banking services through agency banking and financial performance

Agency banking	N	Mean	Std. Deviation	Df	t-cal	p-Value	decision
Accessibility of banking service	110	19.6316	3.2197	218	-1.782	0.076	$H0_1$
Banks' financial performance	110	20.3446	3.6991				Accepted

T-test @ 0.05 level of significance

Table 6 shows the summary of the independent t-test conducted to determine the accessibility of banking services through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria. The analysis revealed a calculated t=-1.782 at 218 degrees of freedom and a p-Value of 0.076 at a 0.05 level of significance. Therefore, since the p-Value is significantly greater than the level of significance (p>0.05). This indicates that there was no statistically significant difference between the accessibility of banking services (Mean=19.6316; SD=3.2197) and banks' financial performance (Mean-20.3446; SD=3.6991). Hence the null hypothesis 1 which stated there is no significant difference between the accessibility of banking services through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria was accepted.

Table 7: Summary of Independent t-test analysis between low cost of service through agency banking and banks' performance

Agency banking	N	Mean	Std. Deviation	Df	t-cal	p-Value	Decision
Low-cost service	110	20.5587	3.6858	218	3.553	0.001	$H0_2$
Banks' performance	110	19.1322	2.9579				Rejected

t-test @ 0.05 level of significance

Table 7 shows the summary of the independent t-test conducted to determine the low cost of service through agency banking and the financial performance of commercial banks in Sokoto metropolis, Nigeria. The analysis revealed a calculated t = 3.553 at 218 degrees of freedom and a p-Value of 0.001 at a 0.05 level of significance. Therefore, since the p-Value is significantly less than the level of significance ($p< 0.05$) This indicates that there was a statistically significant difference between the low cost of services through agency banking (Mean 20.5587; SD =3.6858) and banks' performance (Mean = 19.1322; SD 2.9579). Hence null hypothesis 2 which stated that there is no significant difference between the low cost of service through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria was rejected.

Table 8: Summary of Independent t-test analysis on customers' transactions and banks' performance

Agency banking	N	Mean	Std. Deviation	Df	t-cal	p-Value	decision
Customers' transactions	110	20.4175	3.3817	298	2.964	0.003	$H0_3$
Banks' performance	110	19.1887	3.5244				Rejected

t-test @ 0.05 level of significance

Table 8 shows the summary of the independent t-test conducted to determine the increased customer transactions through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria. The analysis revealed a calculated t= 2.964 at 218 degrees of freedom and a p-Value of 0.003 at a 0.05 level of significance. Therefore, since the p-Value is significantly less than the level of significance ($p< 0.05$). This indicates that there was a statistically significant difference between customers' transactions (Mean= 20.4175; SD = 3.3817) and those from un- conducive (Mean = 19.1887; SD = 3.5244) banks' performance in Sokoto metropolis. Hence the null hypothesis 3 which states that there is no significant difference between increased customer transactions through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria was rejected.

Table 9: Summary of Independent t-test Analysis on withdrawal through agency banking and banks' performance in the Sokoto metropolis

Agency banking	N	Mean	Std. Deviation	Df	t-cal	p-Value	Decision
Withdrawal of funds	110	20.0921	3.3777	218	0.548	0.584	$H0_4$
Banks performance	110	19.8716	3.5843				Accepted

t-test @ 0.05 level of significance

Table 9 shows the summary of the independent t-test conducted to determine the difference between withdrawal through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria. The analysis revealed a calculated t-0.548 at 218 degrees of freedom and a p-Value of 0.584 at a 0.05 level of significance. Therefore, since the p-Value is significantly greater than the level of significance (p > 0, 05) the analysis indicates that there was no statistically significant difference between withdrawal through agency banking (Mean=20.0921: SD 3.3777) and banks' performance (Mean19.8716; SD -3.5843) among customers in Sokoto metropolis. Hence the null hypothesis 4 which states that there is no significant difference between withdrawal through agency banking and the financial performance of commercial banks in Sokoto metropolis Nigeria was accepted.

V. CONCLUSION AND RECOMMENDATIONS

Accessibility to effective financial service delivery to customers is a prerequisite to banks' performance which can only be achieved by improving agency banking networks, especially in the non-banking areas for smooth operations. The transactional cost of providing banking services to all categories of customers has reduced to the barest minimum if banks' management can provide adequate and sophisticated agency banking facilities for smooth operations which in turn improved banks' performance

The level of customers' patronage can only be tremendously increased if banks' management through agency banking can provide an uninterrupted financial services network to all customers of easy transaction of business. The banks' management must expand the capacity of agency banking, especially in non-banking areas to make withdrawals easy and convenient for customers.

The paper recommends the need for banks' management to improve customers' accessibility to effective financial service delivery which is a prerequisite to banks' performance. This could only be achieved by improving the agency banking network, especially in the non-banking areas for smooth operations.

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