

Effect of Micro Finance Bank Services on the Performance of Small-Scale Businesses in Delta State: A Study of Selected Businesses

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Abstract: The primary objective of this investigation was to investigate the impact of microfinance banks' services on the performance of small-scale enterprises in Delta State: a study of selected businesses. The specific objectives of this study were to examine the impact of credit facilities on the performance of small-scale enterprises in Delta State, and to examine the effect of savings mobilization on the performance of small-scale enterprises. Survey design was employed in the process of this study. The research involved 72 employees of Zino Pure Water Factory, Warri, Rivotel Pure Water Ltd, Abraka, and Efac Table Water, Ughelli, all in Delta State. In order to arrive at the sample size in this research, the Taro Yamane (1967) formula was employed. Furthermore, the research utilized a stratified sampling method, which involved the selection of units from a homogeneous population. The respondents in this research were interviewed with the aid of a properly structured questionnaire. The evidence collected was analyzed using the Statistical Package for Social Sciences (SPSS 27.0) through Ordinary Least Square regression. This research confirmed that the performance of small-scale enterprises in Delta State is greatly influenced by access to credit facilities. The research also illustrated that the activities of small-scale enterprises in Delta State are greatly affected by the mobilization of savings. It was claimed that microfinance banks offer tailored credit products to fit the individual financial situations and needs of their customers. This may include credit ceilings in line with their finance flow, grace periods, or flexible repayment terms.

Keywords: Micro Finance Bank, Bank Service, Small Scale Business.

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I. INTRODUCTION

Microfinance refers to financial service provision to poor individuals and households that are beyond the scope of financial institutions (Conroy, 2019). The method has also been defined as the extension of bank products and financial services to those that are economically underprivileged. These entities are distinct from commercial banks, as they provide minimal bank products specifically suited for accessibility across targeted local areas or social categories. MSMEs are essential instruments for financial inclusion, as per the efforts of the government, while, at the same time, driving entrepreneur ventures as well as poverty eradication across the globe. In addition, several studies have shown that economic development across various nations has been due to the contributions by MSMEs (Asor et al., 2016; Obasi et al., 2014). However, MSMEs have, many times, struggled with the acquisition of adequate finances, especially loans,

known as working capital loans, from deposit money banks, traditional banks, as well as commercial banks; as a result, microfinance banks stepped in as an option to complement this financial lack. Besides, the rate of MSMEs' survival has, many times, suffered due to the owners' inability to offer equity contributions, coupled with poor quality of working capital, thus constraining productive capacity (Khan, 2020; Akingunola et al., 2018). The underlying reason why these firms have had relatively little presence across economies that are economically underprivileged has, many times, lain in lacking financial capacity (Alalade et al., 2013). In an attempt to address this problem, the creation of microfinance banks seeks to address financial inadequacies experienced by MSMEs while, at the same time, strengthening operational capacity across these ventures. Consequently, the advent of microfinance turned out to be crucial for the poor majority to secure financial capital as well as other financial products, especially considering the failures shown by governments

across the globe toward delivering adequate support toward poverty eradication efforts (Ailemen et al., 2016). A viable business model could get undermined by poor financial means, preventing SSBs from developing and thriving in the economy. In addition, finance has also turned out to be an essential factor toward the progress of SSBs (Cook, 2021). The development of small-scale enterprises and Nigeria's economic development can be impeded by the inaccessibility of credit. This is due to the fact that the performance of small-scale enterprises enhances GDP growth, living standards, and employment. Access to credit is a prerequisite for small-scale enterprises to invest in new equipment or production inputs. Furthermore, their businesses may be hindered by their inability to recruit employees, which could potentially impede their growth and sustainability.

Despite the CBN's efforts, numerous small-scale enterprises are still ceasing operations as a result of liquidity issues and other environmental business factors (Obokoh, 2021). Recent studies in Nigeria and elsewhere confirmed some of the main causes of poor performance and the development of small-scale enterprise in Nigeria to include financial constraint and lack of social supports (Oyefuga, Siyanbola, Afolabi, Dada & Egbetokun, 2021). This study investigates the impact of microfinance bank services on the performance of small-scale enterprises in Delta State in light of this context.

➤ *Objectives of the Study*

The main objective of this study was to examine the effect of microfinance banks services on performance of small-scale enterprises in Delta State: a study of selected businesses. The specific objectives were:

- To examine the effect of provision of credit facilities on performance of small-scale enterprises in Delta State
- To examine the effect of savings mobilization on performance of small-scale enterprises in Delta State

➤ *Conceptual Framework*

• *Microfinance Bank Services*

Microfinance services basically involve lending, mobilization of savings, and microenterprise investment training, all targeting poor individuals to embark on projects generating revenue. The microfinance idea relies on the conviction that microentrepreneurs, together with economically vulnerable clients, are "bankable" individuals who are capable of repaying the initial money and the interest, while also being able to build reserves if financial products are specifically adjusted to meet their demands (Von, 2021). In addition, microfinance includes the products offered by Microfinance Institutions (MFIs), both financial products, as well as those that are non-financial, targeting poor individuals carrying out revenue-generating ventures, irrespective of whether they have tangible collateral (Lidgerwood, 2019; Christen & Rosenberg, 2020). These financial products cover various areas, such as payments, remittances, insurance, loans, and savings. In addition, building capabilities of the business, as well as microenterprise investment, form the central idea of the non-financial products offered. In addition,

microfinance has been defined as consisting of microcredit, microsavings, and microinsurance (Roth, 2022).

• *Credit Facilities*

According to Starita, Marshall, Thomas, Yalouris, and Bauchet (2021), the microcredit story entails the extension of microloans to micro-entrepreneurs, which, in turn, returns them huge profits. The financial advantage allows them to possibly repay a huge rate of interest, recycle the money back into the ventures for further expansion, and finally break the poverty trap. In the majority, the transfer of microloans takes the form of cash payment; however, there are instances when it comes in kind (Lacalle, Rico, & Duran, 2018). The rate of interest charged over these loans shows vast variability; however, it normally comes between 20 percent and 40 percent per annum. Roodman (2021) observed that the terms of microfinance banks (MFBs), being very rigorous, over time tend to relax, giving way to lowered interest rate alongside other benefits. Although many MFBs prefer advocating the charging of an unvarying rate over the borrowed sums, there has also emerged an observable tendency toward the utilization of the declining balance method of computing interest. In addition, it has also become normal to give variable rate of interest, wherein the rate does not remain static over the lending period but changes depending on an adequate indicator, normally the prime rate.

• *Savings Mobilization*

Savings mobilisation has recently been acknowledged as a significant factor in microfinance. In the past, microfinance concentrated almost exclusively on credit, with savings being the "forgotten half" of financial intermediation. The provision of deposit services, which may be strictly standalone savings accounts or frequently associated with credit, is either a mandatory prerequisite for obtaining a loan or a component of a combined intervention in which a group saves and subsequently permits its members to borrow from its shared savings resource. Consequently, the categories of micro-savings services are diverse, are provided by a variety of providers, and serve as both a protective measure (to mitigate the effects of shocks) and a promotional measure (to establish an asset base) (Hulme, Moore & Barrientos, 2019).

• *Concept of Small-Scale Enterprises*

The concept of Small-Scale Enterprises (SSEs) is one of the most extensively studied topics in management, as it is regarded as significant by a variety of academicians and has a significant impact on an economy such as ours. SSEs are widely recognised as the driving force behind economic growth and development on a global scale (Suberu, Aremu & Popoola, 2018). The definition of SSEs is subject to variation across countries, institutions, and years. Occasionally, the terms "small scale business," "small scale industries," and "small-scale entrepreneurship" are predominantly used interchangeably in the literature to refer to SSEs.

In relation to small-scale enterprises, the following definitions are provided. The National Directorate of Employment (2019) defined small scale business as any business enterprise with a capital outlay as low as N 5,000 and a fewer than three-person workforce. It has been observed

that this definition is unfounded, as certain SSEs, such as salon hairdressers, shoemakers, and Sea Street, necessitate a capital investment of over N5,000 to establish a business at that time. This is due to the expense of acquiring working tools, such as machines, dryers, and other accessories. Mohammed (2020) defined small scale enterprises as any business organisation in which the total value of the business, including the cost of investment projects and fixed assets, is less than N4,000,000.00 (excluding land).

Watson and Everett (2019) contended that the United Nations Industrial Development Organisation (UNIDO) provides the most practical definition of SMEs, which specifies that small-scale businesses should be defined by the following variables:

- ✓ The business is majorly owned and managed by individual or group and the management is different from the owners.
- ✓ The business enterprises controls small share of the market and therefore constitutes a little quota in the large size market.
- ✓ The owners provide the capital for the business enterprises and policy decision with respect to the business enterprises are taken by the owners.
- ✓ The area of the operation and workers are in the local community for variable patronages and supply.

• *Microfinance Bank Services and Firm Performance*

Accessing credit is regarded as a critical factor in the growth of small and medium-sized enterprises. It is believed that credit enhances income levels, increases employment, and, as a result, alleviates poverty. It is posited that access to credit allows impoverished individuals to surmount their liquidity constraints and make certain investments, such as the enhancement of farm technology inputs, which in turn results in an increase in agricultural production (Hiedhues, 2015).

Allen (2015), Murray & Rosenberg (2016), and Ritchie (2017) have all observed that savings-led organisations outperform credit-led ones. The potential to help the impoverished earn income from microenterprises, smooth their income and consumption, and diversify their income sources is present through the provision of micro-finance (Zeller, 2019). (Anand et al., 2015). Microfinance is a significant factor in poverty reduction, as per Mosley (2020). It contributes to the expansion of income earning and asset-building opportunities, which reduces the dependence of households on a single asset type and, as a result, their ability to cope with disasters (Anand et.al, 2015).

Many Grameen Bank borrowers were truly constructing larger homes, as per Hassan (2022). Panganiban (2018) contends that the income of borrowers has increased and their asset base has expanded. It appears that the investments made through loans were highly productive and have significantly contributed to the development of household output, income, and consumption (Ghai, 2014). In 2019, effect assessment studies conducted in Tegucigalpa and Cholteca, Honduras, demonstrated that 60% and 50% of the beneficiaries

experienced an increase in their sales and incomes, respectively, one year following the receipt of working capital credit.

➤ *Theoretical Framework*

• *Pecking Order Theory (POT)*

This theory contended that the financial requirements of MSMEs are satisfied in a hierarchical order (Myers, 1984; Myers & Majluf, 2014; Lucas & McDonald, 2020; Taiwo et al., 2016; Gunarsih, 2021). The theorists posited that small businesses initially raise their own funds, and as their financial requirements expand, they turn to debt capital (Taiwo et al., 2016). Gunarsih (2021) also believed that managers possess a greater understanding of the enterprise's true value and risk than external investors. Consequently, firms utilise retained earnings to fund their operations whenever feasible. If these resources are insufficient, they resort to debt. Only in the most extreme circumstances do firms resort to new equity financing (Myers, 1984, cited by Gunarsih, 2021).

Thus, pecking order theory implies that the issuance of equity (common stock) is the final alternative source of financing, resulting in firms turning to debt funds in response to a shortage of internal funds (Gunarsih, 2021). Therefore, this investigation is founded on the ranking order theory.

• *Financial Constraint Theory (FCT)*

According to Ede et al. (2018), Fazzari et al. (1988) were the first to propose this theory. The study suggests that FCT evaluates the sensitivity of investment to internal funds in businesses, taking into account varying levels of informational opacity. This is accomplished by dividing a sample of enterprises into subsamples, which are specified in accordance with the appropriate theoretical antecedent that distinguishes constrained and unconstrained firms (Ede et al., 2018). Nevertheless, Mansour and Chichti (2021) argued that FCT investigates the impact of financial frictions on the financial operations of enterprises. According to the scholars, this theory is contingent upon the theoretical foundation that incorporates the information-driven challenges associated with analysing a firm's investment under incentive restrictions.

Clementi and Hopenhayn (2016) posited in their contributions that borrowing constraints have significant implications for the growth and survival of a firm. Consequently, borrowing constraints are a characteristic of the optimal long-term lending contract, and they subside as the borrower's claim to future cash flows increases in value. The empirical evidence suggests that the optimal contract has intriguing implications for firm dynamics as age and size increase, the mean and variance of growth decrease, and firm survival increases, according to these academicians.

• *Empirical Review*

Falade (2022) explored the effect of microfinance bank products on the performance indicators of small-scale and medium-scale enterprises (SMEs) across Nigeria. The data collected for this study were collected from original sources.

Respondents gave their opinions through a survey tool created specifically to suit the study hypothesis, aimed at collecting their perceptions, thoughts, and opinions. Using the method of simple random sampling, the researcher sampled SMEs found in Computer Village, Ikeja. A sample size of 200 people engaged in this study. The findings presented a correlation coefficient measure of .972, showing that there exists a very clear correlation coefficient between microfinance bank products and the performance level of small-scale and medium-scale enterprises (SMEs), coupled with a measure of the p-value, equaling 0.001, well below the predetermined level of importance, denoted by 0.05. The researcher, therefore, rejects the null hypothesis at the level of significance, say, 5%, accepting the alternative hypothesis. In this way, analysis confirms there exists an effect, indeed very clear, between microfinance bank products and the operational effectiveness level of SMEs found in Computer Village, Ikeja. Drawing from the findings presented by this study, various recommendations are presented. It is advocated that owners of microfinance banks must boost equity capital enough to meet lending demands by clients, especially those found under the category of small-scale and medium-scale enterprises (SMEs). In addition, it is crucial that microfinance banks enforce detailed due diligence processes, coupled with Know Your Customer (KYC) processes, aimed at reducing the possibility of defaulting loans. Again, microfinance banks should engage vigorously in joint ventures with sound, account-specific, and well-known SMEs, as well as not just charging them interest. Prior to financial decision-making, small-scale and medium-scale enterprises (SMEs) need to carry out an extensive analysis of the funding opportunities accessible to them, objectively evaluating the terms, rate, and tax benefits thereof.

Research by Yahaya and Kolawole (2022) evaluated the effect of microfinance banks' products on the performance level of loans and advances offered by these banks. Secondary data collected from the statistical bulletin issued by the Central Bank of Nigeria, from the period 1991-2020, were analyzed. An autoregressive distributed lag method was applied during analysis. The findings by the study indicated there exists an effect correlation between the performance level of loans and advances by microfinance banks, achieving a level of statistical importance equaling 5%. In addition, it was established that the ability of microfinance banks to absorb deposit has an effect on the performance level. Also, analysis indicated that lending rate charged by these banks has an effect on the performance level, giving an effect coefficient equaling 1.601, found significantly influenced by the level of importance equaling 5%. In conclusion, the study suggested that, in the name of economic progress, microfinance banks offer loans and advances while charging relatively minimal lending rate.

Mohammed (2020) conducted an assessment of the effect microfinance banks have on the financial performance of small-scale businesses in Mubi. A sample of 107 owners/managers of small-scale businesses across the Mubi region was targeted by this study. The survey instrument, aimed at collecting data from the respondents, served as the chief data gathering tool. Simple percentage statistics were

used in analyzing data collected from the participants. Findings from this study indicate that small-scale businesses are facing enormous difficulties in tapping into the financial support offered by microfinance banks. The problem arises due to the lack of microfinance banks created across the local region, which has seen an impressively low rate of utilization by small-scale businesses applying for funding for operation. The study recommends the creation of other microfinance banks across the region to facilitate increased financial accessibility by the small-scale businesses.

Onyeiwu, Muoneke, and Abayomi (2020) analyze the implications of microfinance bank loans and the debt servicing thereof on the profitability of sampled small and medium-scale enterprises (SMEs) in Alimosho Local Government Area, Lagos State, Nigeria. Using survey methodology, the study covered a sample of 387 firms sampled from Alimosho LGA, utilizing data collected via painstakingly prepared questionnaires consistent with the study's underlying assumptions. Simple linear analysis via SPSS v.25 indicates that loans from microfinance banks, together with the debt servicing, significantly reduce the profitability level of sampled SMEs. The study makes various recommendations targeted toward the Federal Government, commercial banks, microfinance banks, and central bank authorities, including: Microfinance banks (MFBs) need to enhance lending terms by lengthening the tenure period to relieve the financial load on SMEs; MFBs need to develop more accommodating criteria specifically aimed at satisfying the singular demands of small and medium-scale firms, especially relating to documents and other specialized products, so as to enhance greater development across the SME base; and MFBs need to deal with the ex-post verifiability problem by introducing an electronic platform that allows easy tracking of projects and firms covered by loans, reducing associated costs.

Taiwo and Mike (2020) explored the effect of microfinance banks' operation on funding opportunities accorded to Abuja, Nigeria, small-scale enterprises (SSEs). The study aimed specifically (i) to assess the effect of microloans on funding opportunities accorded to Abuja, Nigeria, SSEs, and (ii) to analyze the effect of micro savings in enabling funding opportunities accorded to these entities. A survey approach was used in the study. A population base consisting of 57 microfinance banks (MFBs) and 2,794 Abuja, Nigeria, SSEs covered the study. A sample consisting of 349 Abuja, Nigeria, SSEs and 26 MFBs was collected via stratified random sample techniques. Questionnaires were sent to the sampled individuals to obtain data. Simple percentages, together with ordered logit regression analysis, were used in analyzing data. Findings established that (i) an increased level of loans accorded by microfinance banks significantly enhances the progress of Abuja, Nigeria, SSEs, and (ii) an increased level of micro savings by these Abuja, Nigeria, SSEs enhances funding opportunities accorded by microfinance banks. In conclusion, the study established that microfinance banks positively enhance funding opportunities accorded to Abuja, Nigeria, SSEs. In light thereof, it was advocated that MFBs enhance microloans accorded to Abuja, Nigeria, SSEs, as this shall significantly enhance the

development of their operation as well as enhance further opportunities for work across the nation. Besides, it was advocated that additional support interventions and policy support shall be instituted so as to develop an environment friendly to Abuja, Nigeria, SSEs' performance, as well as other areas across the nation.

II. RESEARCH DESIGN

This research utilizes survey methodology. Survey research has the basic goal of gathering data that illuminates known phenomena by analyzing people's perceptions, values, attitudes, or behavior. Surveying involves the gathering of people's reactions to questions relating to people's perceptions, feelings, and experiences.

➤ Model Specification

The focus of the study was evaluated by applying the multiple linear regression method. Given data attributes, study aims, formulated assumptions, and general study aims, it was found that the multiple regression model best suited this analysis. Below, the functional model has been defined;

The model is shown below;

$$P = F(PCF, SMT) \dots\dots\dots(1)$$

Where:

P = Performance

PCF = Provision of credit facilities

SMT = Savings mobilization

In a regression form, it will become:

$$P = \beta_0 + \beta_1 PCF_{it} + \beta_2 SMT_{it} + \mu \dots\dots\dots(2)$$

β_0 = Constant Term

$\beta_1 - \beta_2$ = Coefficient of the variables

μ = Error Term

➤ Test of Hypotheses

- Multi Co-linearity Test

Table 1 Multi Co-linearity Test

	Co-linearity statistics	
	Tolerance	Variance inflation factor (VIF)
(Constant)		
Provision of credit facilities	0.476	2.100
Savings mobilization	0.476	2.100

Source: Researcher's Computation, 2025

Multi-co-linearity is characterised by the presence of extremely high levels of connection or correlation between the independent variables. Consequently, it is a form of data disturbance, and statistical inference may be unreliable if it is present in the data. It is conceivable that the aggregate result is significant, but the individual results are not. Cuthbert Daniel introduced the Multico-linearity test in 1963 (Ron, 2021). If the tolerance value is less than 0.2 or 0.1 and the VIF

value is 10 or greater, it is possible to infer that multi-co-linearity is present. However, we can exclude multi-co-linearity in the data due to the fact that the tolerances and VIFs were both greater than 0.2 and less than 10, respectively. This implies that the analysis can proceed as intended.

- Model Summary

Table 2 Model Summary

Model Summary					Durbin Watson
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.646 ^a	.417	.400	.55628	1.436
a. Predictors: (Constant), provision of credit facilities, savings mobilization					
Dependent variable: performance					

Source: Researcher's Computation, 2025

Variations in the provision of credit facilities and the mobilisation of savings account for 0.400 (40%) of the performance variations, as indicated by the adjusted R^2 (coefficient of multiple determination). The remaining 60% of the variations are accounted for by variables that are not addressed in the study. The autocorrelation in the residuals

from a regression analysis is detected using the Durbin Statistics. This is the extent to which the values of the variables are correlated across various data sets. We infer that there was no autocorrelation because the Durbin Watson statistics of 1.436 were less than 2.

- ANOVA

Table 3 ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.839	2	7.419	23.977	.000 ^b
	Residual	20.733	67	.309		
	Total	35.572	69			
a. Dependent Variable: performance						
b. Predictors: (Constant), provision of credit facilities, savings mobilization						

Source: Researcher's Computation, 2025

Based on the P-value of 0.000, which is less than 0.05, we can infer that Micro Finance Bank Services have a substantial impact on small-scale enterprises in Delta State at a 5% level of significance.

- Regression Coefficients

Table 4 Regression Coefficients

Table 1: Regression Coefficients						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.249	.0473		0.525	.005
	Provision of credit facilities	.469	.142	.412	3.012	.001
	Savings mobilization	.450	.148	.411	3.040	.003
a. Dependent Variable: Performance						

Source: Researcher's Computation, 2025

III. DISCUSSIONS OF FINDINGS

The findings of this study established that operational success by Delta State-small-scale firms relies greatly on the availability of credit facilities. These findings concur with those established by Mutuma and Omagwa (2019), whereby it was shown how microfinance services influenced the financial performance by Small Medium Sized Firms (SMEs) located in Meru Town, located in Meru County, Kenya. The study formulated clear-cut study objectives, such as an assessment of the effect of credit facilities, strategic planning, and capacity building by entrepreneurs on the financial performance by firms located in Meru Town. Using the descriptive study approach, data relevant to the phenomena at that time were gathered, thus clarifying the underlying scenarios relevant to the topic under study. A sample consisting of 93 individuals was chosen for data gathering. A questionnaire acted as the tool enabling the data gathering exercise. Analysis of data involved multiple regression analysis together with descriptive statistics. Analysis established that there exists a moderate correlation coefficient ($R = 0.632$) between microfinance services and the financial performance by the firms in question. In addition, there exists an established correlation between financial performance by these firms and microfinance services, showing an established level of statistical importance ($p = 0.05$). Several areas emerged that indicated this correlation, including the implications by credit facilities ($p\text{-value} = 0.034$), strategic planning ($p\text{-value} = 0.026$), as well as entrepreneur capacity building ($p\text{-value} = 0.015$). In addition, the findings established an immense level of consensus by the respondents over the claim that funding by microfinance institutions (MFIs) greatly influenced the number of individuals starting

fresh ventures. Also, it emerged that the findings indicated that SMEs had the tendency, if any, toward adopting MFI plans due to easy accessibility to money, as well as the offer of various microfinance products. It emerged that the financial performance of the SMEs in the context of Meru town significantly relied, if it did, on credit facilities, savings plans, as well as entrepreneur capacity building.

The research further proved that performance by micro, small, and medium-scale firms in Delta State greatly relies on the mobilization of savings. This result aligns with Yahaya and Kolawole (2022) study, whereby it researched the impact of microfinance banks' facilities on the performance by micro, small, and medium-scale firms in Nigeria. Secondary data gathered by the Central Bank of Nigeria over the period 1991-2020 were used. Secondary data were analyzed by applying an autoregressive distributed lags method. The findings proved the presence of an unusually high correlation coefficient rate connecting performance by SMEs in Nigeria with loans and advances by microfinance banks, while maintaining a level of significance of 5%. In addition, it proved that performance by SMEs in Nigeria also has an unusually high correlation coefficient rate relating to deposit mobilization efforts by microfinance banks. Lastly, it proved that performance by SMEs in Nigeria has an inversely correlated coefficient rate of -1.601, representing lending rate charged by banks, maintaining a level of significance equal to 5%. In conclusion, it suggested that economic development could be promoted by financial provisions by microfinance banks targeted toward empowering small-scale and medium-scale firms in Nigeria, preferably maintaining relatively minimal interest.

IV. SUMMARY

➤ *The Major Findings of this Study were:*

- The study found out that provision of credit facilities has a significant effect on the performance of small-scale enterprises in Delta State.
- The study also revealed that savings mobilization has a significant effect on the performance of small-scale enterprises in Delta State.

V. CONCLUSION

The primary goal of this study aimed at assessing the effect of microfinance bank products on the performance of Delta State small-scale firms. The findings from this study established that the offer of credit facilities has an effect on the performance of Delta State small-scale firms. In addition, this study established that the mobilization of savings has an effect on the performance of Delta State small-scale firms.

RECOMMENDATIONS

➤ *The Results of this Study Provide many Recommendations:*

- Personalized Solutions: Microfinance institutions should offer customized credit products that meet the individual needs and financial situations of their clients. These products may involve flexible payment schedules, grace periods, or limits that match their cash flow.
- Multiple Savings Instruments: Microfinance institutions need to offer various instruments for deposit products that cater to the various demands and tastes of clients. These products may involve basic deposit accounts, deposit plans, recurring deposit plans, plans aimed at retirement, as well as specialized products aimed at specific targets such as school funding or property ownership.

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