The Contemporary Islamic Banking System (Jaiz Bank) in Tackling Financial Exclusion in Nigeria

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ABSTRACT

The paper empirically explores the level of financial exclusion in northern Nigeria and its causes; it has proven that over 60% of the country's financial exclusion is from the Northern region of the country; while 68.4% of the North-East sub-region are unbanked. Several programs have been proposed and some were implemented, but the financial exclusion remains. The study aim to investigate the recent Islamic banking system in Nigeria (Jaiz Bank) based on customers' participation and how that promotes financial inclusion and sustainable development in the Northeast of Nigeria. The paper surveys the claims percentage of financial exclusion in the northeast of Nigeria. One hundred and eighty (180) questionnaires were distributed to Jaiz Bank customers. The empirical analysis used to determine the role of (Jaiz bank) in tackling financial exclusion in the Northeast of Nigeria. The findings of the research predict that the religious reason and lack of Shari'ah-compliant in Nigerian banking system, promote the vast number of financial exclusion in the northeast of Nigeria. The research results would be considered based on the certain proposed region in the country. Therefore, the questionnaire surveyed on a certain area in the Northeast test the research propositions. The research paper discussed on the phenomenal position of Nigeria financial exclusion more especially in the Northeast of the country.

Introduction

Financial exclusion has become a Major challenge around the world more especially in the developing countries while Nigeria is not an exception. The concept of financial exclusion drastically attracted the interest of the world. World Bank effectively introduced several programs with the enthusiastic efforts to tackle the key barriers of financial exclusion by 2020. Moreover, the research has shown that, the barriers of financial exclusion are numerous, such as poverty, financial literacy, poor services, not trust, distance, and safety. Apparently, the empirical evidences have justified (Hogarth and Donnell, 2000) (Lee, 2002).

The debate theoretical focus on a reason bear financial exclusion which is not a recent phenomenon rather than a situation whereby people are having difficulties in accessing the mainstream of financial services over the last few decades (Kunt and Klapper, 2012). According to Kempson and Wyhley (1999), financial exclusion appears to be first to have been utilised as more broad sense to elude individuals who have compelled access to the financial institution. Since from then, various authors have respectfully contributed on how financial exclusion should be pursued. These incorporate both scholastics for instance, (Sinclair, 2001), (Devlin, 2005), (Anderloni and Carluccio, 2006) share same taught (Carbo, Gardener and Molyneux, 2007). The general agreement suggests to an individual who is having difficulty getting access to a financial institution and its standard products services in a market.

According to Larry Elliott (2015) the economist editor, the economy growth for a country cannot be achieved while the vast percentages of the country financially excluded. David and Rea (2012) reported that a dream of a country would not be realistic if a massive number of its citizens are financially excluded. The economy of a country will not be determined while the huge percentages of revenue are not captured in the country's economy (Kempson, 2001). According to Central Bank of Nigeria (CBN, 2005), indicates that Nigeria has a huge percentage of unbanked more especially in the northern part of the country due to the poverty lack of trust to financial intermediaries and religious belief. Vividly, Chronic Poverty Advisory Network reports (2015) justified that the percentage of those formally banked in the Northeast sub-region is 26.1 percent, and those financially excluded 68.4 percent. However, 5.4 percent are informal. Apparently, Empirical evidence shows that one of the essential ways to tackling financial exclusion is an establishment of microfinance in the local and remote areas. However, Microfinance has proven to the world in term of fighting poverty and promoting financial inclusion. But in the Nigerian context evidence indicates that as an ineffective system observed due to the banking activities claim to be based on the conventional practice especially regarding paying or receiving an interest (Aliyu, 2012).

Nigeria is the most populated country in African; it has the population of above 170 million citizens leaving in the country and more than 50 percent of the populations were Muslims. While majority of the citizens are living below the line of poverty. Banks mostly played a very crucial role in the modern economy; however, people were not convinced enough with the system. Populations in the northeast sub-region of Nigeria, 80 percent of the population were Muslims while the remaining 20 percent are Christians and others. Perhaps majorities of the Muslims are keeping themselves aloof from the conventional system or not to participate or operate with conventional intermediaries due to the way banks are being operating its products full of Interest, Gambling, speculation and uncertainty (Ibid). The Qur'an has clarified the prohibition of receipt or payment of interest (usury) (Q: 2: 275), (the basis of most ordinary activities of the conventional banking system includes microfinance). Many Muslims believers have chosen to stay away from conventional banking system due to the bank services contradicting Muslim faith (Kettell, 2010).

The banking exploitation system of interest in Nigerian leads to introduce the Islamic Bank, which known as (Jaiz Bank). Everyone will not argue with extraordinary or overemphasis of unjust nature of usury which has been a barrier and slider to Nigeria economy more-especially financial meltdown (Hanlon, 2005). The introduction of Jaiz Bank, particularly in the northern part of Nigeria, would be the hope to address the financial exclusion based on religion belief or faith. In that regard, the availability of financial products such as Shariah-compliant, thus, will tremendously increase the financial inclusiveness and should drastically reduce financial exclusion. The objective of this research to identify a reason behind the financial exclusion and find out to what extent the Islamic Banking system promotes the financial inclusion and its economy in the northeast sub-region of Nigeria. To investigate the Jaiz

Bank (Islamic Bank) and its Shari'a-compliant in Nigeria has significantly decreased the level financial exclusion of less prosperous Nigerian who represents a large segment of millions of Nigerians.

H_0 Religious reason do not promote financial inclusion in the Northeast sub-region of Nigeria

H_1 Religious reason promotes financial inclusion in the Northeast sub-region of Nigeria

According to Kempson (2001) indicates that one of the barriers reason for hindering some Muslims faith to interact with a banking sector is religion. Muslims have the zeal to invest their wealth in any financial institution to build societies, but the financial intermediaries were found to be not supportive and selective in their operations to suit or compliant with their faith, that contributed exclusion. A lot of Muslims feels discrimination and push aloof from the financial institutions (Katbamna, 2004). McCormick and Kempson (1998). Muslim commitment once if attribute his religious faith or belief his extremely careful with the spiritual consciousness and perceiving the instruction of the religion at any time. Based on the above is not surprising if religious promote financial inclusion.

H_0 2   Shariah compliant products are not preferable to customers compare to conventional products in the northeast sub-region of Nigeria

H_1 2   Shariah compliant products more preferable to customers compare to conventional products in the northeast sub-region of Nigeria

According to Lusardi & Mitchell (2014) the Shariah compliant, consistent items bring it fundamental from Islamic rules which keep the products away from uncertainty, gambling and speculation and attracted Muslims believers. Shariah-compliant signifies all financial products and the transaction should be agreeable based on Shariah-compliant it needs to fulfill its criteria before considered as Shariah compliant such as the shirking of riba, maysir and gharar. Once these are fulfilled and the bank acquires Shariah Supervisory Board (SSB) endorsement, the item or structure can be promoted as Shariah consistent (Natalie, 2010). According Mahmoud (2002) stated that the Shariah compliant persistent in various prophetic tradition (SAW) Muslim (2783) Ahmad (7104) Sakhr (1995), Abu Dawud (2932),

1. Conceptual framework
1.1 Islamic Bank in Nigeria

Jaiz bank has become one of the first full-fledged of Islamic bank in the country as part of financial inclusion policy of the Nigerian government. Jaiz bank was instituted the core and blow from the existing banking opportunity whereby being positioned to be a national business in services regardless of any faith or religion. The bank is a joined public company owned by a huge number of shareholder spread over the six geo-political zones across the country, housing Abuja as its being Headquarter situated (Sapovidia, 2015).

Islamic finance provides help to financial development sector and its increasing financial inclusion. By reaching and extend the range of financial product, empirically, Islamic finance could improve fostering inclusion and finance access of those deprived of financial services (Iqbal and Mirakhor, 2007). Furthermore, Islamic finance encourages partnerships, entrepreneurship; mitigate poverty (Munawar, 2001). Islamic finance is currently accommodating those who stay away from conventional banking operation due to religious reason. According to Sapovidia (2015), it's clearly indicated that the numbers of Muslims around the world are 1.6 billion, but only 14 percent were banked. Islamic finance can help to manage the overall gap access banking system despite the fact non-Muslim are not proscribed to participate from using Islamic finance services.

According to Chairman of the Bank Alhaji Umaru Abdul Mutallab, Jaiz recorded N79.56 million as the gross earning of its first year of operation and operating loss of 1.07 billion being the first non-interest bank in 2012. He added in the first meeting that the bank lacklustre expertise performance and lack of Shari'ah compliant instruments. He further describes the whole concept of the banking system to attract more people into banking sector by giving them what they need to suite their belief and concern. He further briefed the inaugural annual meeting, with the first experience, the bank was able to conquer and addressed the previous problems and adopts adequate strategies such as aggressive drive deposit, agricultural and the real investment in the economy sector to enable it achieved its goals. Within two years, Jaiz Bank generated breakeven profit in 2014; the bank witnessed a remarkable growth of

customer and profit from N33.9 billion in 2013 to N 42 billion in 2014 of its total asset. However, the total earning assets from N 11.5 billion in 2013 to N24.5 billion in 2014. Furthermore, the Jaiz total income increased from 0.915 billion in 2013 to N 2.94 billion in 2014. Notwithstanding the keeping, expenses were quietly restricted to 20% of the total revenue (Sapovadia, 2015).

Jaiz bank appeared to be one of the successful institutions that immensely fought financial exclusion in Nigeria strategically. In addition, some people are desirous of religious and ethical regarding associating them with the non-interest banking system; they feel safe and protected by pleasing their religious or belief and do away with interest and replacing it with the profit and loss sharing based on the markup financing that would be an opportunity of capturing excluded community by providing a platform for anyone to participate in nation building (jaizbank.com).

1.2 Jaiz bank and its Shari'ah compliant products

Shari'ah compliant it is all type of products that free from gambling, interest rate uncertainty, and speculation are considered as Shari'ah compliant once its approve by the Shari'ah advisory board. However, Islamic products are not same with conventional products, perhaps the concept is the same thing. Accretion of wealth in Islam is encouraged but not by making money with speculation or gambling or through interest rate (Natalie, 2010). According to Iqbal and Mirakhor (2007), defines Shari'ah compliant as synthetic investment instruments specifically created to meet a need of some specific belief to interact with them in financial institutions. Furthermore, Adiwarman (2002) make some excellent point of been classifying profit and loss sharing as part of predetermined rate of return which seems to be speculation. Williamson (1986) as asymmetric information, Mohammad and John (2002) argued that practicing profit and loss sharing (PLS) is a formal contract instrument without resembling speculation, and it's more acceptable for small business enterprises development. Natalie (2010) stated some of the modern instruments products being using in the Islamic bank such as Hawala, Ijara, Istisna, Kafala, Mudaraba, Musharaka, Tawaruq Wakala, Salam and Murabaha. Jaiz bank operates Murabaha and Mudaraba often are more profitable for a bank. It is a personal preference to select any products he/she sense to decide.

2. Literature review

Financial exclusion refers to an inability of less privilege to participate in a financial system of a country or developing process of building the country's economy (Obaidullah & Abdul Latif, 2007). According to Carbo, Gardener and Molyneux (2005) financial exclusion in the developed world has attracted the public interest since late 1990. Academically, numbers of groups have written numerous researches with its challenges and solutions. But appears to be, in a developing country are yet to adopt a solution to the problem. However, the whole idea of financial systems is not drawn up in most of the developing countries. Although, commentator generalized consensus among themselves that the precise term of financial exclusion is in between cause and consequences (Howell, 2005). According to Sinclair (2001), Howell (2005), Delvin (2005) and Carbo (2004), lack of access to the mainstream of financial services. However, Matin (2002) financial exclusion is a process that prevents a particular group of people gaining access to financial services.

2.1 Causes of Financial Exclusion and who is financially excluded?

It is, of course, complicated and difficult to sort out one precise reason for financial exclusion. However, several researches have been conducted, and pieces of evidence emerged as the reason for financial exclusion such as access to Bank, higher charges, unsuitable products and biased market strategy (Sinclair, 2001) low-income earning unworthy services (Kempson, 2001). Some observers related with low income, remote geographical areas, lack of financial literacy and unemployment (Howell, 2005). However, for a person to identify a single problem or cause of financial exclusion is seems to be difficult. According to Financial Services Authority (2000) report, the increasing number of financial inclusion will paradoxically reduce a financial exclusion once if a government in control over the population. One precise type of financial exclusion to be investigated in this research religion reason, religion is one of the obstacle and strongest issue or barriers to financial exclusion. Apparently, a religion issue related to financial exclusion daunts many individuals from having access to different financial product; these causes or problems are more diversifying and wider separate among Muslims and non-Muslim (Aliyu, 2012).

According to Global, Findex data set (2014) the total number of financial exclusion approximately 2.3 billion people are financially excluded, and the majority are from developing countries. However, low-income and other denominators across the board are the causes (Anderloni and Carluccio, 2006). Apparently, the earlier review described varies of financial exclusion between developed and developing countries. Different empirical shreds of evidence have proven that same group of people been merged as financially excluded, such groups includes lone parent cannot work due to family pressure, illiterates without educational qualifications, immigrant community and ethnic minority influence, long-term unemployed, crime or history of bad debt account that supersede with overdraft as a result of unable to settle overdraft which led to restriction to reopen another account, lastly cultural and religious reason (Farooq, 2008).

According to the World Bank 24% percent of sub-Sahara Africa adults are banked penetrators in 2011, the most recent notable findings displayed that the West African countries are less financial inclusion, means significantly lower access to financial Institution than the sub-Sahara Africa average, moreover, disparities feature of the region suffer are Mali, Guinea and Senegal, are in lower ground of financial services. In Senegal, the recent CGAP survey 2013, indicated that the primary reason for their financial exclusion is religious issue, and the others countries concern about mistrust or difficulties in an opening account (AFDB, 2013).

2.2 Nigerian Current status and its effort in tackling financial exclusion

According to Central Bank of Nigeria, the present state of financial exclusion is slowly going down in promoting inclusion; it come to recognition that the Nigeria government in collaboration with oriented agencies and CBN have introduced different form of programs policy and regulations to conquer financial exclusion in addressing poverty in the country such as **Sure-p** and **Poverty alleviation** programs.

Microfinance institution was one of the organizations that purposely introduced to tackle financial exclusion. Thus, would allow those leaving in a rural area to have access financial mainstream (CBN, 2012). A lot of the researchers investigated the reason behind financial exclusion where varies of reasons were merge as the problems amongst "Microfinance". According to Kanayo, Jumare and Nancy (2013) a study conducted by Enhancing Financial Innovation and Access (2010) shown that the Microfinance banks in Nigeria accommodated 3.2 Million of Nigerian which obliviously represented 3.8 percent of the adult's population. In order hand, Microfinance is being recognised as a key in eradicating poverty; create job employability and fighting financial exclusion (European Commission, 2008). However, Microfinance bank is based on promoting the interest of low-income earner to access the financial institution at a lower level for those traditionally not banking with a conventional financial system (CBN, 2005). Furthermore, Ihugba, Bankong and Ebomuche (2014) assuming if only microfinance overemphasis on poor people, definitely poverty will be dropped and evidence regarding mitigation of poverty will be a challenging. In addition, Schreiner & Woller (2003) attributes Microfinance as process institution to improve loan access and savings services to low earners. And also enhance as a success growth strategic of eradicating poverty and economic empowerment.

Despite the various studies of the effectiveness of microfinance and its impact on the society and a lot of opportunities created as claim, to poor or low-income earners in Nigerian, innards are still highly questionable (Westover, 2008). According to Mbutor and Uba (2013) the practice of microfinance in Nigeria is not a new financial phenomenon, always tried to stretch out a positive elasticity of microfinance through formal approaches such as (ASCAs) Accumulating Credit and Savings Associations or (ROSCAs) Rotating Savings Credit Associations (SHGs) Self-Help Groups or borrowing from relation or friend. All kinds of approaches may have availed due to the inability of microfinance to core with responsibility. However, such perceived deficiencies lead to existing failure of microfinance in Nigeria. He added that most of the challenges which microfinance face, inefficient management, undercapitalization and loopholes supervisory. He further described that usurious interest rates, frequent charges and poor outreach, these and others are the bedevilling failure of microfinance scheme in Nigeria (Armendariz and Morduch, 2009). In 2008 survey reveals that 53 per cent of Nigerian adults were not in the financial services, in 2010 the percentage decreases with 6.7 percent. According to Enhancing Financial Innovation and Access, the marginal upsurge a formal financial institution at that time from 35 percent to 36.3 percent in five years. Sequentially, after introducing microfinance policy its keeps maintain momentum development up to the level of 53.7 percent are

included in to financial intermediaries while about 39.2 million Nigerians adults or 46.3 percent were remained excluded (CBN, 2012).

2.3 Financial exclusion geographically in Nigeria

Nigeria is the most populated country in Africa which consists of above 170 million citizens living in the country. Its claim to be the faster's economic growth in African; Nigeria is divided geographically into the six geo-political zones and current status of their respective regions based on the financial status, according to EFInA survey (2014), indicates North-East formally included 26.1 percent, informally banked 5.4 percent and financially excluded 68.4 percent. In the North-West, 35.4 percent are financial included, 8.6 percent informally, and 56 percent are financially excluded. However, North Central the current percentage of formally included 48.9 percent whiles informally 18.5 percent and its hold the financially excluded 32.7 percent. For the South East, 63.3 percent are financially included, 11.3 percent are informally, and 25.4 percent is financially excluded Meanwhile in the South-South having 52.3 percent inclusion 15 percent informal inclusion and exclusion 32.7 financially excluded. Lastly South West 62.6 percent formally included, 12.7 percent are informally, and 24.8 percent are financially excluded from the financial mainstream.

3. Methodology

This section is explaining the data surveyed were collected from the Jaiz bank in Maiduguri, branch in the northeast of Nigeria and tested the above hypotheses prediction in the Northeast sub-region in Nigeria. However, the procedure of data collection was adopted similar method of Cravens, Ingram, LaForge and Young (1993). The study focused on the contemporary Islamic banking in conquering financial exclusion and its sustainable development based on religious reason regardless of Islam or Christianity. Perhaps the survey conducted on 15th November to 30th November 2016 using structured questionnaire that consists of ten questions. Furthermore, surveyed respondents were restricted to the age of 18 above and the sample size of data respondents are One hundred and eighty (180) customers from Maiduguri branch in between three geo-political zones of the North-east of Nigeria (Adamawa, Borno and Yobe). Notwithstanding, the data do not represent the entire states rather to highlight the most likely bears surrounding financial exclusion in the Northeast sub-region.

The customer's thought and their respective comments were also analysed. However, the bank had the population of fifteen thousand (15000) customers approximately as at November, 2016. Furthermore, surveyed questionnaire consists of comprehensive response on personal and social economic perceptions and services rendered by Jaiz bank in satisfying their customers' needs.

Apparently, barriers behind financial exclusion and its cause's baseline estimation need to be signified and detect religious probabilities factors in the northeast population towards financial inclusion. Moreover, these and much more are to be tested through sample t-test for identifying significant and insignificant hypothesis regression and correlation analysis with (SPSS).

[Table I]

According to Cohen (1988) and Bredenkamp (1969) a matrix correlation test model prior its significant analysis through sample size which detected influential population size in order to identify an essential issues related to each variable tested based on prediction or estimation as stated below an equation highlighted the variables.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

The equation formula of correlation represent the dependent and independent variables as indicates in a table I, the vector path of r stands a Pearson while n represent the number of pairs of scores, dependent variable is been considered as y which is *religious reason (RR) behind financial exclusion* and x as an independent variable that consists of gender, qualification, occupation, number of account operate by the customers, bank effectively used, reason of satisfaction and products of the bank (Jaiz). However, the equation sign of $\sum xy$ indicate sum of the products of paired scores and $\sum x$ which calculate the sum of x and $\sum y$ sum of y that indicates the total number variables, $\sum x^2$ and $\sum y^2$ are the squared x scores and y respectively.

$$\text{logit}(y=1) = \log\left(\frac{p(y=1)}{1-(p=1)}\right) = \beta_0 + \beta_1 \cdot x_{i2} + \beta_2 \cdot x_{i2} + \ldots + \beta_p \cdot x_{in} \, for \, i = 1 \ldots n \, .$$

$$\text{logit}(y=2) = \log\left(\frac{p(y=2)}{1-(p=2)}\right) = \beta_0 + \beta_1 \cdot x_{i2} + \beta_2 \cdot x_{i2} + \ldots + \beta_p \cdot x_{in} \, for \, i = 1 \ldots n \, .$$

The logistic regression indicates dependent variable as being denoted efficiently by showing *y=1* and *y=2* with specifies coefficient relations between the variable at a percentage level of probability that will determine the reason for financial exclusion. The p (y=1) is to estimate six independents variable which estimate to be positive compared to the bank effectively used by the customers and the same scenario with dependent variable p (y=2) on bank satisfaction. The six-multiple variable above will expressively indicates the logged odds equation on a success predictors in the regression.

RRi=f(CONCm, Xi)+Ei

In order to test the Jaiz operation and marketing efficiency being concentrated based on its Shariah compliant and analyzed how the strong variables related with others. RRi is evaluating the efficiency of the Jaiz bank towards the customers' concentration, RRi represents the religious reason as independent variable concentrate and measure is efficiency with below dependent variables. CONCm, with Xi, is to measure the causation based on a positive relationship with a higher number of significant and to support these hypotheses. The efficiency control if Religion has cordial relation with BEU, No. B.Acc, RS and JP estimates the exp (ß) below 0<1 that means has a negative relationship and has no efficient control on. But if happen to be 0> the measurement estimates that is the causation has cordial relationship in table as stated Demsetz (1973).

4. Results and Discussion

Table II was used to predict and present the descriptive statistics which pooled the proposition of the sample size of customers population participated and the general distribution that predicts the reason behind the customers' pooling into the system. According to Hirschman (1970) specifying a statistic and econometric model distribution was adopted to proving and ensuring model specification. In this regard, the distributions predict one of the reasons have huge influence more on Jaiz bank "religious reason" as presented below. However, the customer's response on each variable consists of 180 respondents that show the reason of being banking with Jaiz bank 58.5 percent predicted that religious reason. Furthermore, 10.1 percent estimates awareness or financial literacy; moreover, 20.1 percent shows that safety of Jaiz bank and its products which free from uncertainty, speculation and interest free system.

Table II. Distribution of Reason of banking with Jaiz

Variables	Respondents (%)	No. of people per reason	No. of rejecters	Total respondents
PRTY	3.4	6	174	180
RR	58.4***	105	76	180
FL	10.1*	18	162	180
PS	1.3	3	177	180
HC	3.4	6	174	180
DST	2.0	4	176	180
N-TRST	0.7	1	179	180
SFTY	20.1**	36	150	180
OTHERS	0.7	1	179	180
	100%	180	8.0	

Any percent to be above 8 is considered as a minimal reason for satisfaction with bank. (*Three stars*** strong reason, two ** & one **) follows. The higher percentage shows stronger satisfaction.   Religious Reason *** Safety ** Financial Literacy*

Source: Computed by the Author

The table above shows the customers' response on every independent variable which consists of 180 respondents as explained above, poverty has 3.4 percent customers, however, the percentage is not considered as a reason due to the less number of the respondents, that same scenario with PS, HC, DST and N-TRST

Table III. Hypothesis Test

Hypotheses	Main-effects	Full-model	Full-model with variable	Result (s)
H$_1$ 1: Religion –RR(+)	.001	.001(.014)	.001(.989)***	Accept the hypothesis
H$_1$ 2: Sh -C – CJBPC (+)	-.021	-.021(-.241)	.-21(.810)***	Accept the hypothesis
R2	.036	.003	.355	

Attention: Dependent Variable: Religion; Religious reason=RR; Sh-C: Shariah compliant, Compare Jaiz bank products with conventional=CJBPC based on religious test.
Total respondents (N-180) p<0.05* p<0.01** p<0.001***

Source: Computed by the Author

The one t-test module indicates that the two hypotheses results assembled to show the different way of proving the reason based on the testing different module, this module tested on t- test, therefore, the religion has significant effect on the bank with p- value of 0.989 and full model identification .014 as exp. (β) from the 0.001 estimate of β. Moreover, the religion has a positive impact on Jaiz product compare conventional product but predict to accept the alternative hypothesis with 0.810 as indicated above.

[Table IV]

Matrix correlation in table IV shows a crossword relationship between two or more variables in a form of rectangular. According to Olson and Mossman (2001) the matrix correlation used to predict and distribute the sample of correlation squared resulted based multiple correlation coefficients. In table III below, in the first column indicates the variable of religious reason where predict the strong correlation with "bank effectively used", that means religion has positive and strong relationship with level of 0.786 and that indicates Jaiz bank customer's participation based on religious reason. However, Jaiz bank products predict same scenario which indicates strong positive correlation at 0.733 by signifying the free products from gambling, uncertainty, speculation and interest free system attracted huge customers operate with Jaiz. Surprisingly, the satisfaction of the customers is unrelated, and has weak and negative correlation of -0.071, while gender predicts positive and weak correlation of 0.020. Apparently, qualification shows a moderate relationship with satisfaction that needs the more awareness and educational enlightening of customers participatory. Interestingly, the more the Jaiz customers use the bank, the more satisfaction by customers as indicated correlation at 0.512, and same scenario with education which recoded moderate at 0.370.

[Table V]

The result of multinomial logistic regression is used to find out estimation of the model parameters of likelihood by showing the greatest probability argumentation of the multinomial probability. Must of measurable bundles incorporate a multinomial logit model equation which prompts deviance of high exp. (ß) related to p-value, based on below table V is probably estimated that religious tremendously behind financial inclusion with a higher significant p-value of "Role" 0.980 with an estimate of exp.(ß) 1.43. Financial literacy has the same scenario of "Role" 0.999 with 0.533 of expected estimate of exp.(ß).

Furthermore, good services of the bank related to customers effectively using the bank predict higher relationship and indicates more likely expectation on alpha value. While trust, distance, and safety were predicted significantly irrelevant reason of being effectively using the bank but distance and safety are relevant in term of banking satisfactions, notwithstanding, Multinomial logistic regression.

4.1 Summary of Discussion

In line with results presented above, statistical models and regressions were tested which provide an extremely robust support for the converse relationship between Jaiz bank customers and Religious reason, consistent with the bank reliable, effectiveness and related hypotheses. Several statistics description and regression models justify the straight shape of the results. With that all possible reasons or causation, efficiency and relation were assuredly exposed based on the sample regressions analyses. The above results also predict an efficient of religion over the financial system and measuring how large the substantial power of religious on the Shari'ah compliant in the banking system.

It is eventually vibrant that the indispensible study is to confirm the trustworthiness and accuracy estimates results and finding of data gathered, tested different models and research question, the conservative research questions concerns are being addressed. However, surveyed respondents (Jaiz customers) highlighted the primary reason behind financial exclusion in the North-east region based on customer's perception or bias. Despite the fact, a lot of people may argue with the current situation on ground of poverty and insurgency in the area. Some may argue that a number of the survey customers will not represent the entire people of North-east, perhaps the statistic model renowned by Mallery and Geoge (2006) justified that as test. The second apprehension relates to respondent's bias the desirability of protecting or supervening self-interests or feels defensive to the region and religious he/she belongs to might imprecisely misreport to overestimates or underestimate the financial exclusion (Yunusa and Nordin, 2015). To control such desirability bias and awareness needs to be adopted based on financial exclusion has been shown in the table II, III and IV which predicted customer's respondents after the outcome the religion has significantly positive relation and it has a reason behind the financial inclusion as reveal related findings on table V and VI, indicates, and the robust of the research question and hypotheses.

Conclusion and Recommendation

The Existing literature and empirics continue to admonish and advance inconsistent proportions on how to conquer and address financial exclusion the research argues that financial exclusion was caused due to the reason behind the inclusion religiously and precisely, Shariah compliant products. In reconciling on above studies, the research unified analytical framework, which investigates the incidence of financial exclusion, based on religion perspectives and how to downgrade and affiliated the country economy and promote inclusion based on customer's participation.

Applying experience based on the survey conducted in Jaiz Bank branch in Maiduguri Borno State, by testing series of regression and models including statistical analyses, revealed that the religion was a factor and key barrier to financial inclusion in northeast sub-region of Nigeria. Secondly, lack of Shari'ah-compliant in the conventional banking system immensely contributed to financial exclusion in northeast based on the predicted result. Potentially, the Jaiz bank operation in Nigeria revealed the North zeal of being interacting with the banking system in the country and potentially will mitigate financial exclusion drastically. Finally, the results show substantial evidence in support of religion that has a positive impact on financial exclusion in the northeast sub-region.

Recommendations

This paper strongly described and recommends substantial views to address financial exclusion
Government needs to create awareness and develop a sustainable partnership and holistic financial strategy to mitigate the relevant discrimination and determine financial inclusion
Enhancing financial inclusion through developing many branches of Islamic bank in the northeast and the other part of Nigeria
Enhancing financial Access through Islamic microfinance, small medium Enterprises (SMEs) financing with Shariah compliant instruments
Improving financial infrastructure more especially the improvement of current credit information system

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Table 1: Methodology

Question Number	Dependent variables	Description of independents variables	Probability, Estimated or Predicted
Q1.	Gender	Identify the each gender participation: 1- **Male**, 2- **Female**	Descriptive analysis (The high the percentage the positive the results)
Q2.	Age	Indicates the statistical age group are belongs 1**(18-24)**, 2-**(25-34)**, 3-**(35-44)**, 4-**(45-54)**, 6-**(65-above)**	
Q3.	Marital status	Marital status 1- **Married** 3-**Separated or Divorced** 2- **Single** 4- **Widow**	
Q4.	Educational Status	Explore level of customer's education in the Jaiz bank 1-**SIS/SSCE**, 2- **Higher school**, 3- **College attendant**, 4- **Graduate college** 5-**HND without Degree**, 6-**Degree**, 7-**Religious Knowledge**, 8- **None of the above**	
Q5.	Religion	Show likely number of participants of Muslims and Non-Muslims operate in Jaiz bank, 1-**Islam** , 2-**Christianity**	Descriptive, Regression and would be used as dependent variable
Q6.	Occupation	Description of number of civil servants and businessman or woman 1- **Civil servant**, 2-**Business man or women**	Regression analysis
Q7.	Bank account effectively used	The bank account effectively used by the Jaiz customers 1-**Jaiz bank**, 2-**Conventional banks**	
Q7b	Why effectively used	Why are you using Jaiz bank? 1- **Poverty** 2-**Religious reason**: operate based on shari'ah compliant , 3- **Financial literacy**, 4- **Poor services**: other banks aren't performing up to expectation, 5-**High cost**: Jaiz charge less 6- Distance	
Q8.	Satisfying with bank why?	What Makes Customers Satisfied with Jaiz bank? 1-**Poverty**: Means promotes less income earners. 2-**Religious reason**: Free interest banking system, 3- **Distance**: Jaiz nearby you, 4- **Financial literacy** 5- **Trust** , 6- **Good service**: Excellent service rendering to customers, 7- **Safety**	
Q9.	Jaiz and conventional products	Comparing Jaiz and conventional product which is more fovourable? 1- **Jaiz bank**, 2-**Conventional banks**	
Q10.	Customer's Comments	Customers comments would be analysed with SPSS software	As Qualitative

Variables	Full meaning of Abbreviated words
PTRY	Poverty
RR	Religious reason
FL	Financial literature
PS	Poor services
HC	High cost
DST	Distance
N-TRST	Not Trust to the Bank
SFTY	Safety
Gdr	Gender
Occup	Occupation
No. of B. A	Number of Bank Accounts
BEU	Bank effectively used
RS	Reason for satisfaction
BPU	Bank product use

Table IV: Matrix Correlation

Variables	1	2	3	4	5	6	7	8
RR	1							
Gdr	.180	1						
Qf	-.242	-.018	1					
Occup.	.045	.109	-.133	1				
No. B A	-.064	-.154	.370**	-.102	1			
BEU	.786***	.020	.002	.039	.002	1		
RS	-.071**	-.162	.344**	-.081	.209	.512***	1	
BPU	.733***	-.032	-.144	-.068	-.027	-.001	-.127	1

Significance level at *p< .01 & 0.5

Source: computed by the Authors

Table V. Multinomial Logistic Regression: Role of Jaiz Bank determining inclusion

Dependent Variable:	Poverty	Religious	Financial Literacy	Good Services	Trust	Distance	Safety
Bank effectively used	1.000	0.980***	.999***	.997***	.000	.000	.000
Bank satisfaction	1.000	0.120**	1.000	.997***	.000	1.000	.877***

| Intercept of Variable 1 | .999 | .972 | .997 | .995 | 1.000 | .999 | .001 |
| Intercept of Variable 2 | 1.000 | 1.000 | 1.000 | .996 | 1.000 | 1.000 | .241 |

Pseudo R2
Cox & Snell   0.205 Nagelkerke 0.222 McFadden 0.088
Cox& Snell   0.079 Nagelkerke 0.083 McFadden 0.025
Source: Computed by the Authors

Table VI. **Logistic regression: Determining religious reason behind financial exclusion in Northeast of Borno State**

Variable	Religious	
	Islam	Christianity
Bank effectively use	.996***	1.000
	(5.959)	(.841)
Number of Bank Account	.998***	1.000
	(1.467)	(0.255)
Why effectively use	.980***	.998***
	(1.432)	(1.449)
Reason of Satisfaction	1.000	
.998***		(1.333)
(1.547)		
Jaiz Products	.999***	1.000
	(2.472)	
(0.204)		

Robust Exp. B used for hence estimation. Significant p<0.05, p<0.01 -p<0.001

Source: computed by the Authors