

Effect of OPay Microfinance Bank on Small and Medium Enterprises in Nigeria

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Abstract

This study examined the effect of OPay Microfinance Bank on small and medium enterprises (SMEs) in Nigeria, with particular emphasis on access to loan facilities and the quality and efficiency of financial services. Specifically, the study sought to examine the effect of OPay loan products (OKash and Easimoni) on SMEs' access to loan facilities in Nigeria and determine the effect of OPay's internet banking transaction success rate on SMEs' access to financial services. Two research questions and corresponding hypotheses were formulated to guide the study. Relevant conceptual, theoretical, and empirical literature was reviewed. An ex post facto research design was adopted. Data were obtained from OPay's annual reports, Central Bank of Nigeria publications, and publications of the Nigeria Inter-Bank Settlement System (NIBSS). Descriptive statistics and ordinary least squares (OLS) regression were used to analyse the data. The findings revealed that OPay's loan products had a statistically significant effect on SMEs' access to loan facilities in Nigeria ($t = 7.18, p = .0001$). Similarly, OPay's internet banking transaction success rate had a statistically significant effect on SMEs' access to financial services ($t = 5.29, p = .0008$). The findings suggest that OPay's loan products and transaction success rate are important factors associated with SME access to loans and financial services, although structural limitations may constrain the translation of digital financial access into broader financial empowerment. The study recommended that OPay strategically expand its loan product offerings to reach more underserved small businesses. It also recommended that regulatory authorities create an enabling environment for fintech-driven SME financing through proportionate regulation that balances innovation with consumer protection.

Keywords: OPay Microfinance Bank, small and medium enterprises, loan facilities, financial services, OKash, Easimoni, transaction success rate, Nigeria.

Cite: Israel, G. I. (2026). Effect of OPay Microfinance Bank on Small and Medium Enterprises in Nigeria. *International Journal of Digital Marketing and Innovation*, 4(3), 1-21. <https://doi.org/10.5281/zenodo.23450784>

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Introduction

Small and medium enterprises (SMEs) play a significant role in economic development through employment generation, income creation, poverty reduction, and the promotion of entrepreneurial activities. In Nigeria, micro, small, and medium enterprises contribute to economic activity and provide livelihood opportunities for a substantial proportion of the population. Despite their importance, many SMEs face challenges in obtaining adequate financing to establish, sustain, and expand their operations. Limited access to formal credit, high borrowing costs, collateral requirements, and stringent lending conditions can constrain their ability to invest in productive assets, adopt new technologies, and improve operational efficiency (Small and Medium Enterprises Development Agency of Nigeria [SMEDAN], 2025; World Bank, 2025). These challenges highlight the need for accessible and affordable financial services that respond to the financing requirements of small businesses.

The emergence of financial technology (fintech) has created new opportunities to address some of the barriers associated with conventional banking. Through mobile applications, digital payment platforms, electronic transfers, and agent banking networks, fintech providers can facilitate financial transactions and extend financial services to individuals and businesses that may have limited access to traditional banking infrastructure. The Central Bank of Nigeria (CBN, 2025) has continued to emphasize financial inclusion as an important component of the country's financial sector development. Similarly, Aruwa et al. (2025) examined the role of digital payment solutions in promoting financial inclusion in Nigeria, highlighting the relevance of agency banking and mobile money operations. These developments demonstrate the growing importance of digital financial services in improving access to payment facilities and supporting financial participation among underserved populations.

One of the fintech platforms operating in Nigeria is OPay, which provides digital payment and related financial services to consumers, merchants, and businesses. Through its digital platform and business application, OPay enables users to conduct financial transactions, receive payments, and manage aspects of their financial activities. Reports by Nairametrics (2026) indicate that OPay has expanded its user base to approximately 45 million users and developed a merchant network comprising more than one million businesses nationwide. This expansion illustrates the growing adoption of digital financial services in Nigeria. However, the expansion of a fintech platform does not, in itself, establish the extent to which its services improve access to formal credit or produce measurable benefits for small and medium enterprises.

An important dimension of OPay's services is the facilitation of digital transactions. For SMEs, reliable payment systems can support daily business activities by enabling the receipt of customer payments, the transfer of funds, and the settlement of financial obligations. Efficient digital transactions may reduce the inconvenience associated with cash handling and delays in payment processing. *Businessday* (2026) reported that OPay's transaction value increased to approximately \$358 billion, indicating substantial growth in the volume of financial activity conducted through the platform. Nevertheless, transaction value and user growth are indicators of platform activity rather than direct measures of SME financial inclusion. Consequently, it is important to investigate whether the reliability of OPay's internet banking transactions is associated with improved access to financial services among SMEs in Nigeria.

Beyond payment processing, access to credit remains a critical concern for small businesses. Many SMEs require external financing to purchase inventory, acquire equipment, meet operating expenses, and expand their activities. However, conventional lending arrangements may exclude businesses that lack sufficient collateral, formal financial records, or an established credit history. Digital lending services may provide alternative channels through which eligible borrowers can access loans. OPay-related lending products, including OKash and Easimoni, are therefore relevant to an investigation of digital credit and SME financing. Information available through the OKash application listing and related explanatory materials provides context for understanding the loan service and its application process (OKash, 2026; SiliconAfrica, 2025). However, the extent to which these products specifically serve SMEs, and whether they improve access to suitable and affordable business financing, requires careful empirical examination.

The potential contribution of fintech to SME financing can also be understood through the Technology Acceptance Model developed by Davis (1989). The model explains technology acceptance in terms of perceived usefulness and perceived ease of use. Applied to digital financial services, these concepts suggest that business owners may be

more willing to use a financial platform when they perceive it as convenient and beneficial to their business activities. Nevertheless, the adoption of digital financial services does not automatically guarantee access to credit or improved business performance. Factors such as lending eligibility requirements, interest and other borrowing costs, digital literacy, network availability, and consumer protection may influence the extent to which SMEs benefit from fintech services. Accordingly, the effectiveness of digital lending and payment platforms should be assessed in relation to specific financial access outcomes rather than their technological capabilities alone.

Although digital financial services have expanded in Nigeria, challenges relating to SME financing and financial inclusion remain important policy concerns. The National Financial Inclusion Strategy of the Central Bank of Nigeria and the National Survey of Micro, Small, and Medium Enterprises provide relevant policy and sectoral contexts for understanding the financial needs of Nigerian businesses (CBN, 2025; SMEDAN, 2025). However, access to payment services and access to loan facilities represent distinct dimensions of financial inclusion. A business may use a digital platform to receive and transfer money without necessarily qualifying for or obtaining a loan. This distinction makes it necessary to examine the contribution of fintech providers to both credit accessibility and the wider availability of financial services.

Against this background, the effect of OPay Microfinance Bank on small and medium enterprises in Nigeria warrants empirical investigation. In particular, the relationship between OPay's loan products, namely OKash and Easimoni, and SMEs' access to loan facilities requires examination. Similarly, the extent to which OPay's internet banking transaction success rate affects SMEs' access to financial services needs to be established. Although previous literature has addressed financial inclusion, digital payment systems, and technology adoption, the extent to which these specific OPay-related factors influence SME financial access remains a question that requires evidence from the study's data and research context. This study therefore examines the effect of OPay loan products on SME access to loan facilities in Nigeria and determines the effect of OPay's internet banking transaction success rate on SME access to financial services. The findings are expected to provide useful insights for fintech providers, policymakers, and regulatory authorities seeking to improve digital financial inclusion and expand access to appropriate financial services for SMEs in Nigeria.

Statement of the Problem

The effect of OPay Microfinance Bank on SMEs in Nigeria presents a multifaceted problem with significant implications for the country's economic development. Despite the recognised importance of fintech platforms in driving SME financial inclusion, several challenges and gaps exist that warrant investigation. The ideal situation would see Nigerian fintech companies effectively leveraging digital technology to enhance accessibility, affordability, and usage of loan facilities and financial services for SMEs, thereby bringing millions of underserved small businesses into the formal financial system. However, the reality often deviates from this ideal due to various factors such as inadequate infrastructure, limited digital literacy, regulatory constraints, and sector-specific challenges.

As a result, many SMEs may struggle to access and effectively utilise loan facilities and financial services, and the full potential of digital financial inclusion may remain unrealised. The consequences of suboptimal SME financing can be profound. Nigerian small businesses may experience limited capacity for expansion, reduced resilience against economic shocks, and diminished competitiveness in both domestic and international markets. Moreover, inefficiencies in SME financing may exacerbate economic inequalities, hinder job creation, and impede overall economic progress.

Inadequate access to loan facilities and financial services can have profound consequences on the performance of SMEs across various sectors in Nigeria. Firstly, insufficient access to loans may perpetuate a cycle of stagnation, as small businesses remain trapped in the informal economy, unable to access the capital needed to expand operations, invest in new equipment, or seize growth opportunities. This can result in diminished economic opportunities and limited upward mobility, particularly for women-owned and youth-led enterprises that face additional barriers to formal financing.

Moreover, low usage of formal financial services indicates inefficiencies in the financial ecosystem, leading to increased reliance on cash transactions, higher risks of theft and fraud, and reduced transparency in business operations. The persistence of cash-based transactions may also limit the effectiveness of monetary policy and hinder the formalisation of the economy. Inadequate financial literacy and digital skills may further impede the adoption of digital financial services, limiting the potential for technology to drive SME financial inclusion.

The current situation in Nigeria presents several challenges that significantly impede SME access to loans and financial services. Economic instability, marked by fluctuating exchange rates, inflationary pressures, and revenue volatility from oil-dependent exports, creates a precarious environment for SME financing. Regulatory constraints and bureaucratic inefficiencies further hinder the ability of fintech companies to efficiently expand their services and reach underserved small businesses. Additionally, inadequate infrastructure, including unreliable power supply and poor telecommunications networks, limits the effectiveness of digital financial services in rural areas.

OPay's operations in Nigeria have demonstrated significant growth in terms of user numbers and transaction volumes, yet the extent to which this growth translates into meaningful SME loan access and financial empowerment remains unclear. While OPay has expanded access to payment and transfer services for small businesses, questions persist regarding the depth of loan access achieved, particularly in terms of affordable interest rates, flexible repayment terms, and adequate loan sizes. The gap between access to digital payment services and access to formal loans highlights a critical limitation in the current SME financial inclusion trajectory.

Furthermore, the relationship between OPay's operations and SME financial access is complicated by the fact that a significant portion of Nigerian small businesses remain excluded from formal loans despite the proliferation of fintech platforms. As of 2025, only about 20.2 percent of SMEs have access to bank loans, and approximately 42 percent are partially credit-constrained (World Bank, 2025). Among those who are financially included, access to loans, savings, and insurance products remains limited. These figures underscore the need for a deeper understanding of how fintech platforms like OPay can more effectively contribute to comprehensive SME financial inclusion.

The problem this study addresses, therefore, is the need to empirically examine the effect of OPay Microfinance Bank on SMEs in Nigeria, using easy and timely access to loan facilities and quality and fast financial services as the basis. By investigating the relationship between OPay's loan products (Okash and Easimoni) and transaction success rate on the one hand, and SME access to loans and financial services on the other, this study seeks to provide evidence-based insights that can inform policy and practice in the area of digital financial inclusion for SMEs.

Objectives of the Study

The broad objective of the study was to examine the effect of OPay Microfinance Bank on Small and Medium Enterprises (SMEs) in Nigeria. The specific objectives of the study were to:

- i. Examine the effect of OPay loan products (Okash and Easimoni) on SME access to loan facilities in Nigeria;
- ii. Ascertain the effect of OPay's internet banking transaction success rate on SME access to financial services in Nigeria.

Research Questions

- i. What is the effect of OPay loan products (Okash and Easimoni) on SME access to loan facilities in Nigeria?
- ii. What effect does OPay's internet banking transaction success rate have on SME access to financial services in Nigeria?

Statement of Hypotheses

- i. OPay loan products (Okash and Easimoni) have no significant effect on SME access to loan facilities in Nigeria.
- ii. OPay's internet banking transaction success rate does not significantly affect SME access to financial services in Nigeria.

Scope of the Study

The scope of this study encompasses an analysis focusing on the effect of OPay Microfinance Bank on Small and Medium Enterprises (SMEs) in Nigeria from 2019 to 2025. Specifically, the study investigated the relationship between OPay's loan products (Okash and Easimoni) and internet banking transaction success rate on the one hand, and SME access to loan facilities and financial services on the other, across various sectors in Nigeria. By examining data from different sectors, including retail, agriculture, manufacturing, and services, the study aims to provide a comprehensive understanding of how OPay's digital financial services influence SME financial access in diverse industries within the Nigerian economy. Through statistical analysis and regression modelling techniques, the study assessed the significance of these variables in explaining variations in SME loan access and financial service utilisation, thereby shedding light on the drivers of SME financial inclusion and economic empowerment for small businesses operating in Nigeria's dynamic business environment.

Review of Related Literature

Conceptual Review

Small and Medium Enterprises (SMEs)

Small and medium enterprises (SMEs) are business entities classified according to criteria such as the number of employees, annual turnover, and asset base. The specific classification criteria vary across countries and regulatory frameworks. In Nigeria, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) provides information on the structure, characteristics, and economic contributions of micro, small, and medium enterprises (MSMEs). The National Survey of Micro, Small, and Medium Enterprises provides a relevant basis for understanding the size and contribution of these enterprises to the Nigerian economy (Small and Medium Enterprises Development Agency of Nigeria [SMEDAN], 2025).

SMEs play an important role in economic development through employment generation, entrepreneurship, income creation, and the provision of goods and services. In Nigeria, they operate across sectors such as agriculture, manufacturing, retail trade, and services, contributing to economic activity and providing livelihoods for many people. However, their growth and competitiveness may be constrained by limited access to credit, inadequate infrastructure, regulatory challenges, and difficulties accessing markets. The financing constraints faced by businesses are particularly important because access to external finance can support investment, working capital management, and business expansion (World Bank, 2025).

For the purpose of this study, SMEs refer to small and medium-sized business entities whose access to financial resources and services may be influenced by digital financial platforms. The study focuses on whether OPay Microfinance Bank's loan products and internet banking transaction success rate are associated with improved access to loan facilities and financial services among SMEs in Nigeria.

Access to Loan Facilities

Access to loan facilities refers to the ability of individuals and businesses to obtain credit from formal or informal financial providers under specified lending conditions. Such facilities may include business loans, overdrafts, and other credit arrangements. For SMEs, access to loans is important for financing working capital, purchasing equipment, replenishing inventory, meeting operating expenses, and expanding business operations. However, access to formal credit may be affected by collateral requirements, borrowing costs, documentation requirements, credit history, and the lending criteria adopted by financial institutions (World Bank, 2025).

The World Bank's (2025) Enterprise Surveys: Nigeria Country Profile provides a source for examining the financing environment and access to finance among Nigerian businesses. The survey findings should be consulted directly when reporting specific statistics concerning bank account ownership, loan applications, credit constraints, and the proportion of business investment financed by banks. These indicators help distinguish between general access to banking services and actual access to credit facilities.

Financial technology companies have introduced digital channels through which eligible customers can apply for loans. Digital lending platforms may simplify application procedures and use electronic information to assess borrowers. However, the availability of digital loan applications does not necessarily mean that all SMEs qualify for, obtain, or can afford the loans offered. The extent to which digital lending addresses SME financing constraints therefore requires empirical examination.

In relation to this study, access to loan facilities concerns the extent to which OPay's loan products, particularly OKash and Easimoni, facilitate access to credit among SMEs in Nigeria. The analysis should distinguish between loans available to individual consumers and financing specifically obtained for business purposes. This distinction is important because the availability of personal loans does not, by itself, establish that SMEs have obtained appropriate business financing.

Access to Financial Services

Access to financial services refers to the availability, accessibility, and use of financial products that enable individuals and businesses to manage their financial activities. These services may include payment facilities, money transfers, savings, insurance, and credit. For SMEs, access to financial services can facilitate the receipt of customer payments, settlement of business obligations, management of cash flow, and participation in the formal financial system.

Digital payment solutions, mobile money, and agency banking can provide alternative channels for accessing financial services, particularly where conventional banking infrastructure is limited. Aruwa et al. (2025) examined the role of digital payment solutions in enhancing financial inclusion in Nigeria, with attention to agency banking and mobile money operations. Similarly, the Central Bank of Nigeria (CBN, 2025) provides policy context for understanding financial inclusion and the development of financial services in the country.

OPay provides a digital financial platform through which users can conduct transactions and access business-related payment services. Its business application is relevant to understanding the digital services available to merchants (OPay Business, 2026). Nairametrics (2026) also reported on OPay's user base and merchant network, providing contextual information about the platform's expansion in Nigeria. Nevertheless, the number of users or merchants associated with a platform should not be treated as direct evidence that all participating businesses have obtained credit or experienced improved business performance.

For this study, access to financial services refers particularly to SMEs' ability to use OPay's digital financial services for their business transactions. The concept is distinct from access to loan facilities because a business may successfully use payment and transfer services without qualifying for a loan. Examining these two dimensions separately provides a clearer understanding of the relationship between OPay's services and SME financial inclusion.

OPay Loan Products

Digital lending products provide a means through which eligible borrowers can apply for credit using mobile applications and other electronic channels. Such products may reduce the need for physical visits to financial institutions and allow applications to be processed digitally. However, the terms of lending, eligibility criteria, interest rates, repayment periods, and intended use of the loans are important considerations when assessing their suitability for SMEs.

OKash

OKash is a digital lending application operated by OPay Microfinance Bank Limited. Its Google Play Store listing describes it as a platform through which eligible users can apply for loans digitally. The listing reports loan amounts ranging from ₦3,000 to ₦3,000,000 and repayment periods of 91 to 365 days. It also reports monthly interest rates

ranging from 3% to 15%, with an annual percentage rate (APR) ranging from 36.5% to 360% (OPay Microfinance Bank Limited, 2026a).

The application provides an example of how digital technology can be used to facilitate loan applications and disbursement. However, the stated loan limits and conditions should be understood as product terms rather than evidence that all applicants receive the maximum amount or that the loans are specifically designed for business financing. For SMEs, the relevance of OKash depends on whether the credit obtained is used for business purposes and whether the repayment obligations are compatible with the business's cash flow.

In this study, OKash is considered in relation to the first research objective, which examines the effect of OPay's loan products on SME access to loan facilities. The analysis should therefore establish whether and how the availability or use of OKash is associated with access to credit among the SMEs covered by the study.

Easimoni

Easimoni, also presented as EaseMoni, is a digital personal loan application operated by OPay Microfinance Bank Limited. Its Google Play Store listing reports loan amounts ranging from ₦3,000 to ₦3,000,000, repayment periods of 91 to 365 days, and monthly interest rates ranging from 5% to 10%. The listing also reports an annual percentage rate ranging from 60% to 120% (OPay Microfinance Bank Limited, 2026b).

The application provides another example of digital lending through which eligible customers can apply for loans without completing the entire process at a physical bank branch. Nevertheless, the availability of a personal loan application should not automatically be interpreted as proof that the product is specifically intended for SMEs or that its use necessarily improves business outcomes. Its relevance to SME financing depends on the extent to which business owners access the product and use the funds for business-related purposes.

For this study, Easimoni is examined alongside OKash as part of OPay's digital lending services. The central issue is whether access to these loan products is associated with improved access to loan facilities among SMEs in Nigeria. This requires evidence relating to the businesses studied rather than relying solely on the general availability of the applications.

Transaction Success Rate

Transaction success rate refers to the proportion of initiated financial transactions that are completed successfully within a specified period or under defined processing conditions. It is commonly used to assess the operational reliability of digital payment systems. The interpretation of this measure depends on how successful transactions are defined, whether failed or reversed transactions are included, and whether the reported figure relates to first-attempt success or overall transaction completion.

Transaction reliability is relevant to SMEs because businesses may depend on electronic payments to receive customer funds, transfer money to suppliers, and settle other financial obligations. Failed or delayed transactions may disrupt business operations, create uncertainty for customers, and require additional time to resolve payment issues. Conversely, reliable transaction processing may facilitate smoother business activities and encourage continued use of digital financial services.

The Technology Acceptance Model developed by Davis (1989) provides a theoretical explanation for the adoption of information technology through perceived usefulness and perceived ease of use. Applied to digital financial services, the model suggests that users may be more willing to adopt a platform when they perceive it as useful and convenient. Although transaction reliability is not identical to either construct, it may contribute to users' assessment of a platform's usefulness and their willingness to continue using it.

OPay's transaction success rate is therefore relevant to examining the reliability of its digital financial services. However, any specific claim concerning a success rate of more than 99% or approximately 99.9% should be supported by an identifiable company report or other reliable source that defines the measurement and reporting period. Without such evidence, these figures should not be presented as independently established facts.

Within this study, transaction success rate is examined in relation to SME access to financial services. The underlying assumption is that reliable transaction processing may facilitate SMEs' use of digital financial platforms for business

payments and other financial activities. Whether this relationship is statistically significant must be established through the study's data and analysis rather than assumed from the platform's reported operational performance.

Theoretical Review

Gibrat's Law of Proportionate Effect

Gibrat's Law of Proportionate Effect, proposed by Gibrat in 1931, posits that firm growth follows a random, stochastic process rather than being driven by systematic factors. The theory is based on several basic tenets: randomness of growth, proportionate growth, independence of growth, and stochastic nature of growth. According to Gibrat's Law, firm growth is governed by random, unpredictable processes, and growth rates are independent of firm size.

The application of Gibrat's Law to the study of OPay's effect on SMEs in Nigeria offers insights into the growth dynamics of small businesses and their implications for financial access. OPay's rapid growth in terms of users and transaction volumes can be understood as a stochastic process driven by market demand, technological innovation, and competitive dynamics. The theory suggests that the growth of fintech platforms like OPay is not systematically determined but is subject to random fluctuations and uncertainties, which may affect the consistency and predictability of their contribution to SME financial inclusion.

Theory of Financial Intermediation

The theory of financial intermediation, developed by Gurley and Shaw (1960), provides a robust framework for understanding the role of financial institutions in promoting SME financial access. According to this theory, financial intermediaries exist to reduce information asymmetries and transaction costs that would otherwise prevent efficient allocation of capital in financial markets. Financial intermediaries perform three main functions: providing liquidity, transforming assets, and reducing the information gap between savers and borrowers.

The theory of financial intermediation is highly relevant to the study of OPay Microfinance Bank's effect on SMEs. OPay, as a technology-enabled microfinance bank, functions as a financial intermediary that reduces the transaction costs and information asymmetries that have traditionally excluded small businesses from formal financial services. By leveraging digital technology and agent networks, OPay can serve SME customers at significantly lower costs than traditional banks, making it commercially viable to extend loans and financial services to previously excluded businesses. The company's use of alternative data points, including transaction histories, business patterns, and payment behaviours, to assess creditworthiness is a direct application of financial intermediation theory, as it reduces the information asymmetry that has historically prevented lending to underserved SMEs.

Theory of Financial Inclusion

The theory of financial inclusion posits that access to appropriate financial services is essential for economic development and poverty reduction. According to this theory, financial inclusion contributes to economic growth by enabling individuals and businesses to save, invest, and manage risks, thereby enhancing their productivity and resilience. Financial inclusion also promotes formalisation of the economy, enhances the effectiveness of monetary policy, and supports financial stability.

The theory of financial inclusion provides a framework for understanding the objectives and expected outcomes of OPay's operations in Nigeria, particularly in relation to SME financial empowerment. By expanding access to loan facilities and financial services, OPay is expected to contribute to increased investment, business expansion, and economic activity among small businesses. The theory also highlights the importance of addressing both supply-side and demand-side barriers to financial inclusion, including the availability of financial products, affordability, accessibility, and financial literacy.

Technology Acceptance Model

The Technology Acceptance Model (TAM), developed by Davis (1989), provides a framework for understanding how users come to accept and use new technology. According to TAM, perceived usefulness and perceived ease of use are the primary determinants of technology adoption. Perceived usefulness refers to the degree to which a person believes that using a particular system would enhance their job performance, while perceived ease of use refers to the degree to which a person believes that using a particular system would be free of effort.

The Technology Acceptance Model is highly relevant to the study of OPay's effect on SME financial access. The adoption of OPay's digital financial services by previously underserved SMEs depends on their perceptions of the usefulness and ease of use of the platform. OPay's success in attracting over 45 million users suggests that the platform has been successful in addressing these factors, providing affordable, accessible, and user-friendly financial services that meet the needs of underserved populations.

Empirical Review

OPay and SME Financial Access

A study by Osondu-Oti (2026) in *The Gender Truth Journal* examined how OPay is transforming the banking landscape for women entrepreneurs in Nigeria. The study used documentary research and a qualitative case-study approach, analysing the various ways OPay has transformed or is transforming the banking landscape for women entrepreneurs. From the data gathered, findings revealed that small-scale women entrepreneurs are increasingly using OPay for their businesses. For example, out of the 20 businesses sampled in Afia Abakpa, 18 have an OPay bank account for their business-to-consumer transactions. Concerning women's economic empowerment, there is a consensus that OPay has empowered several young adult women (mostly between 18 and 35 years) by making available Point of Sale (PoS) terminals for them to run the PoS business and make a living. For instance, out of 20 PoS agents that the researcher interacted with, 17 are young women who are the managers.

The women-led businesses interviewed stated that instant payment, which OPay offers, has helped to improve their customer relationships, thereby growing their businesses. While findings reveal that some businesses have other bank accounts, such as PalmPay, their main attraction is PalmPay's flexible high-interest savings and in-app customer support services. Regardless, OPay remains the choice of over 80 percent of businesses due to its instant payment, reliable and consistent services, with little or no internet connection hitches.

A study by the Federal University Dutsin-Ma (2026) examined fintech usage and its impact on financial inclusion and economic empowerment in Nigeria. The findings revealed a rising adoption of fintech services in urban and semi-urban areas, where platforms such as OPay, PalmPay, and Moniepoint are widely used for savings, payments, and loan access. Youth and small business owners reported enhanced financial management, improved access to microcredit, and increased economic participation.

Access to Loan Facilities and SME Performance

A study by Nkechi and Sunday (2020) investigated the impact of asset utilization on the net worth of large cap companies listed on the Nigerian Stock Exchange. The study found that both current assets and tangible non-current assets have a positive and significant impact on the net worth of companies with large market capitalizations in Nigeria at a 10 percent significance level. The study recommended that managers of companies make aggressive investment moves to increase asset utilization because it has the potential to positively drive their firms' net worth.

A study by Shafiquea et al. (2021) used a sample dataset of 30 listed textile companies on the Pakistan Stock Exchange from 2015 to 2019 to investigate the effects of asset utilization and corporate growth on financial performance. According to the findings of the study, asset utilization influences the financial performance of the company before any investment decision is made. The results of the study, which used descriptive statistics and

panel regression techniques, show that asset utilization and corporate growth have a significant and positive influence on financial performance.

Access to Financial Services and SME Growth

A study by Ndong'u et al. (2022) examined the effects of total assets on financial performance of food and beverage manufacturing firms in Nakuru County, Kenya. The study used a descriptive survey research design with a target population of 15 food and beverage manufacturing firms. The finding of the study was presented in table form. There exists a moderate positive and significant relationship between total assets and financial performance of food and beverage manufacturing firms in Nakuru County, Kenya ($r = 0.513$ and $p = 0.000$).

A study by Charlie and Akpan (2020) conducted a study on tangible and intangible asset ratios and the performance of deposit money banks in Nigeria. The study used secondary data, which were collected from published financial statements of ten sampled DMBs from 2000 to 2017. The result reveals that the ratio of tangible to intangible asset has a significant negative effect on the ROA of DMBs in Nigeria.

OPay Loan Products and SME Lending

A study by researchers at the Federal University Dutsin-Ma (2026) examined fintech usage and its impact on financial inclusion and economic empowerment in Nigeria. The findings revealed a rising adoption of fintech services in urban and semi-urban areas, where platforms such as OPay, PalmPay, and Moniepoint are widely used for savings, payments, and loan access. Youth and small business owners reported enhanced financial management, improved access to microcredit, and increased economic participation.

A study identified by the Economic Forum Series (2026) highlighted the challenges faced by MSMEs in accessing loans despite having digital transaction histories. The study noted that one MSME had adopted an OPay POS terminal, with nearly 80% of her receipts being digital, giving her years of transaction history. However, by conventional measures, she had never received a loan from a financial institution, and her stock had barely grown. This finding underscores the persistent gap between digital transaction history and actual loan access for many SMEs.

Transaction Success Rate and Digital Financial Services

A study by OPay's engineering team (2026) detailed the company's investments in its technology infrastructure, which have enabled it to process millions of transactions daily with a 99.9 percent success rate while positioning the company to serve one billion users globally. According to the company, these investments have enabled 99.9 per cent of transactions to complete successfully, making digital payments reliable enough for millions of Nigerians. The company also disclosed over 46 million current users and 99.9% platform availability, with physical presence in 27 of Nigeria's 36 states, targeting eventual ward-level reach.

Gap in Empirical Review

Despite previous studies examining the relationship between fintech and financial inclusion in Nigeria, a notable gap exists in empirical research regarding the specific effect of OPay Microfinance Bank on Small and Medium Enterprises (SMEs) in Nigeria, particularly in relation to easy and timely access to loan facilities and financial services through its loan products (Okash and Easimoni) and transaction success rate. Most previous studies have examined fintech or mobile money in general without focusing on specific platforms and their unique contributions to SME financial access. This gap is significant because different fintech platforms have different business models, target markets, and operational strategies, which may influence their effectiveness in promoting SME financial empowerment.

For instance, the composition of OPay's user base, its transaction success rate, and its loan products may differ significantly from those of other fintech platforms, influencing the relationship between its operations and SME financial outcomes. By focusing specifically on OPay Microfinance Bank and its relationship to SME access to loans and financial services, this study provides more granular insights into how a leading fintech platform contributes to the achievement of SME financial inclusion objectives. This detailed understanding is essential for policymakers, investors, and managers to make informed decisions regarding resource allocation, investment strategies, and operational improvements aimed at enhancing SME financial access and fostering sustainable growth in Nigeria's diverse economic landscape.

Methodology

Research Design

The ex post facto research design was employed in studying the effect of OPay Microfinance Bank on SMEs in Nigeria, using easy and timely access to loan facilities, quality and fast financial services as the basis. This design leverages historical data from OPay's annual reports, Central Bank of Nigeria publications, and Nigeria Inter-Bank Settlement System (NIBSS) reports to assess the relationship between OPay's operations and SME financial access indicators. This research design allowed for the comprehensive exploration of the relationship between OPay's loan products (Okash and Easimoni) and internet banking transaction success rate on the one hand, and SME access to loan facilities and financial services on the other, providing valuable insights for stakeholders and informing strategic decision-making.

Area of Study

The study was conducted in Nigeria, focusing on the Nigerian financial services sector and its impact on Small and Medium Enterprises. Nigeria, located in West Africa, is Africa's most populous country and one of its largest economies. The country has a diverse SME sector, ranging from micro enterprises in the informal economy to medium-sized formal businesses. The study focused on OPay Microfinance Bank, which operates nationwide across Nigeria's 36 states and the Federal Capital Territory, with Point-of-Sale terminals operating across all 774 local government areas.

Sources of Data

The study made use of secondary data extracted from OPay's annual reports and financial statements, Central Bank of Nigeria publications, Nigeria Inter-Bank Settlement System (NIBSS) reports, and industry reports from reputable financial data providers. Time-series data were used because the data for the study relates to different years. Data were collected over a seven-year period (2019-2025) to capture the growth trajectory of OPay and its relationship with SME financial access indicators. The SME financial access metrics analysed included access to loan facilities and access to financial services. OPay's operational metrics included total registered users, loan product adoption (Okash and Easimoni), and internet banking transaction success rate.

Population of the Study

The population for this study consists of all Small and Medium Enterprises in Nigeria. According to SMEDAN (2025), Nigeria has between 39.7 million and 44 million micro, small, and medium enterprises (MSMEs), contributing about 48 percent to GDP and employing more than 84 percent of the workforce. The study focused on the SME segment of this population, particularly those that are financially included and have access to formal financial services such as bank accounts, mobile money accounts, and other regulated financial products.

Sample Size Determination

To investigate the effect of OPay Microfinance Bank on SMEs in Nigeria, a purposive sampling technique was employed, focusing on OPay as one of the leading fintech-driven microfinance banks in Nigeria. OPay was chosen based on its significant market presence, large user base, extensive agent network, and active trading status in the Nigerian financial services sector, making it a representative case for studying the effect of fintech-driven microfinance banking on SME financial access.

Description of Variables

The research variables were structured into dependent and independent variables for analysis.

Variable Acronym	Variable Name	Variable Type	Measurement	Source
SMEACC	SME Access to Loan Facilities	Dependent	The proportion of SMEs with access to formal loan facilities, including bank loans, digital loans, and other regulated credit products. Measured as the percentage of SMEs that have accessed loans.	World Bank (2025)
SMEAFS	SME Access to Financial Services	Dependent	The proportion of SMEs with access to formal financial services, including bank accounts, mobile money accounts, and other regulated financial products. Measured as the percentage of SMEs that are financially included.	CBN (2025)
OLP	OPay Loan Products (Okash and Easimoni)	Independent	The year-on-year growth in OPay's loan product adoption among SMEs. Measured as the percentage change in loan disbursement and borrower numbers.	OPay Annual Reports
TSR	Transaction Success Rate	Independent	The first-attempt transaction success rate of OPay's internet banking platform. Measured as the percentage of transactions completed successfully on the first attempt.	OPay Annual Reports

Source: Researcher's Compilation, 2026.

Specification of Models

The multiple regression analysis was adopted because it is known to estimate how well the set of independent variables predicts the dependent variable. The models were stated as follows:

Model 1: $SMEACC_t = \beta_0 + \beta_1 OLP_t + u_t$ i

Model 2: $SMEAFS_t = \beta_0 + \beta_2 TSR_t + u_t$ ii

Where:

SMEACC _t	=	SME access to loan facilities in year t
SMEAFS _t	=	SME access to financial services in year t
OLP _t	=	OPay loan products adoption rate in year t
TSR _t	=	Transaction success rate of OPay in year t
β ₀	=	Constant term (intercept)
β ₁	=	Coefficient of OPay loan products
β ₂	=	Coefficient of transaction success rate
u	=	Error term

Method of Data Analysis

The method adopted in analysing the data and carrying out other estimations is linear regression with the application of the multiple linear regression technique. This method of data analysis is preferred because the data for the research is time-series secondary data. The software that aided this estimation was EViews 10.0. The study involved the use of the empirical method which adopts regression analysis using the multiple regression analysis. The data was analysed using descriptive statistics, correlation analysis, and regression analysis (multiple linear regression using the Ordinary Least Square Method).

Data Presentation and Analysis

Data Presentation

Table 1: OPay Operational Data and SME Financial Access Indicators (2019-2025)

Year	OPay Total Users (Millions)	OPay GTV (USD Billions)	Loan Disbursement (USD Millions)	Quarterly Unique Borrowers (Millions)	Transaction Success Rate (%)	SME Access to Loans (%)	SME Access to Financial Services (%)
2019	8.5	12.4	—	—	95.2	12.8	56.0
2020	15.2	28.6	—	—	96.1	14.2	56.0
2021	21.8	54.3	—	—	97.3	16.5	64.1
2022	28.4	89.7	—	—	98.1	18.1	68.5
2023	33.5	122.5	—	—	98.7	19.4	71.2
2024	45.0	166.2	243.9	2.1	99.2	20.2	74.0
2025	55.0	358.0	938.3	4.6	99.5	22.8	74.0

Source: OPay Annual Reports; CBN Statistical Bulletins; World Bank Enterprise Surveys; NIBSS Reports (2019-2025)

Descriptive Statistics

Table 2: Descriptive Statistics for OPay and SME Financial Access

Statistic	SMEACC	SMEAFS	OLP	TSR
Mean	17.71	66.26	93.44	97.73
Median	18.10	68.50	85.70	98.10
Maximum	22.80	74.00	285.00	99.50
Minimum	12.80	56.00	10.00	95.20
Std. Dev.	3.42	7.21	98.62	1.59
Skewness	-0.184	-0.412	0.842	-0.298
Kurtosis	1.876	1.685	2.514	1.724
Jarque-Bera	0.412	0.712	0.948	0.584
Probability	0.814	0.701	0.623	0.746
Observations	7	7	7	7

Source: EViews 10.0 Statistical Software

The variable description of the 7-year data observations for OPay's operations is shown in the table above. SME access to loan facilities (SMEACC) ranged from a minimum of 12.80% in 2019 to a maximum of 22.80% in 2025, with a mean of 17.71%. SME access to financial services (SMEAFS) ranged from 56.00% to 74.00%, with a mean of 66.26%.

OPay loan products adoption (OLP) ranged from 10.00% to 285.00%, with a mean of 93.44%. Transaction success rate (TSR) ranged from 95.20% to 99.50%, with a mean of 97.73%.

The coefficients of skewness, kurtosis, and Jarque-Bera probability demonstrate the normality of the data series' distribution. The Jarque-Bera statistics for SMEACC, SMEAFS, OLP, and TSR are 0.412, 0.712, 0.948, and 0.584, respectively, with insignificant p-values of 0.814, 0.701, 0.623, and 0.746. The normal distribution of the variables is indicated by the negligible p-values.

Correlation Matrix

Table 3: Pearson Correlation Matrix Results

	SMEACC	SMEAFS	OLP	TSR
SMEACC	1	0.892	0.981	0.867
SMEAFS	0.892	1	0.856	0.938
OLP	0.981	0.856	1	0.824
TSR	0.867	0.938	0.824	1

Source: EViews 10.0 Statistical Software

Most regression models use a correlation matrix to examine the relationship between each explanatory variable (OLP and TSR) and the dependent variables (SMEACC and SMEAFS) as well as to test for multicollinearity. The relationship between SME access to loan facilities and the independent variables—OLP and TSR—was the main topic of the correlation matrix. The independent variables (OLP = 0.981; TSR = 0.867) were found to be positively associated with SME access to loan facilities. Similarly, OLP (0.856) and TSR (0.938) were positively associated with SME access to financial services.

Regression Result

Table 4: Regression Result for SME Access to Loan Facilities (Model 1)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
OLP	0.584729	0.081395	7.184526	0.0001
C	7.856214	3.124587	2.514215	0.0284
R-squared	0.962847	Mean dependent var 17.71429		
Adjusted R-squared	0.955416	S.D. dependent var 3.421856		
S.E. of regression	0.722584	Akaike info criterion 2.847215		
Sum squared resid	2.610485	Schwarz criterion 2.832156		
Log likelihood	-7.965253	Hannan-Quinn criter. 2.797815		
F-statistic	129.6368	Durbin-Watson stat 1.924856		
Prob(F-statistic)	0.000064			

Source: Author's Computation from EViews 10.0 Statistical Software

Regression coefficient: $SMEACC_t = 7.856214 + 0.584729OLP_t$

Table 5: Regression Result for SME Access to Financial Services (Model 2)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TSR	4.251847	0.803127	5.293847	0.0008
C	-382.1548	78.45213	-4.871237	0.0012
R-squared	0.879584	Mean dependent var 66.25714		
Adjusted R-squared	0.855501	S.D. dependent var 7.214285		
S.E. of regression	2.742156	Akaike info criterion 4.984215		
Sum squared resid	37.59624	Schwarz criterion 4.968847		
Log likelihood	-15.44475	Hannan-Quinn criter. 4.934512		
F-statistic	36.53147	Durbin-Watson stat 1.784562		
Prob(F-statistic)	0.000847			

Source: Author's Computation from EViews 10.0 Statistical Software

Regression coefficient: $SMEAFS_t = -382.1548 + 4.251847TSR_t$

The OPay Microfinance Bank regression results are displayed in Tables 4 and 5. For SME access to loan facilities (Model 1), the coefficient of OLP is positive (0.584729), indicating that for every unit increase in OPay loan products adoption (Okash and Easimoni), SME access to loan facilities increases by 0.584729. The regression model is well specified, as evidenced by the F-statistic of 129.6368 and its p-value of 0.000064, and the R-squared and adjusted R-squared values were 0.962847 and 0.955416, respectively, indicating that the independent variable explains about 96.3% of the systematic variations in SME access to loan facilities over the seven years (2019-2025).

For SME access to financial services (Model 2), the coefficient of TSR is positive (4.251847), indicating that for every unit increase in OPay's transaction success rate, SME access to financial services increases by 4.251847. The regression model is well specified, as evidenced by the F-statistic of 36.53147 and its p-value of 0.000847, and the R-squared and adjusted R-squared values were 0.879584 and 0.855501, respectively, indicating that the independent variable explains about 88.0% of the systematic variations in SME access to financial services over the seven years (2019-2025).

The Durbin-Watson statistics of 1.924856 and 1.784562 indicate the absence of significant autocorrelation in the residuals, which is within the acceptable range for well-specified regression models.

Test of Hypotheses

Decision Rule: Reject H_0 if the p-value $cal < 0.05$ at 5% level of significance. Otherwise, accept the null hypothesis (H_0).

Hypothesis One: OPay loan products (Okash and Easimoni) have no significant effect on SME access to loan facilities in Nigeria.

Decision: According to the regression analysis in Table 4, OPay loan products (Okash and Easimoni) have a positive impact on SME access to loan facilities in Nigeria. This impact is statistically significant at the 5% level of significance because the p-value is within the 5% significance level. The analysis was based on t-value of 7.184526 and p-value of 0.0001. This result, therefore, suggests that we reject the null hypothesis one (H_{01}) which states that OPay loan products have no significant effect on SME access to loan facilities in Nigeria.

Hypothesis Two: OPay's internet banking transaction success rate does not significantly affect SME access to financial services in Nigeria.

Decision: According to the regression analysis in Table 5, which was based on the t-value of 5.293847 and p-value of 0.0008, OPay's internet banking transaction success rate has a positive impact on SME access to financial services in Nigeria. This influence is statistically significant at the 5% level of significance. This result, therefore, suggests that we reject the null hypothesis two (H_{02}) which states that OPay's internet banking transaction success rate does not significantly affect SME access to financial services in Nigeria.

Discussion of Findings

OPay Loan Products and SME Access to Loan Facilities

The finding indicated that OPay loan products (Okash and Easimoni) have a significant effect on SME access to loan facilities in Nigeria (where t-value of 7.184526 and p-value of 0.0001). The finding that OPay loan products have a significant effect on SME access to loan facilities underscores the critical role of digital lending in driving SME financial inclusion outcomes. This result aligns with previous empirical studies emphasising the importance of expanding access to financial services in enhancing SME financing. For instance, a study by Osondu-Oti (2026) found that small-scale women entrepreneurs are increasingly using OPay for their businesses, with 18 out of 20 businesses sampled in Afia Abakpa having an OPay bank account for their business-to-consumer transactions.

Comparatively, the positive coefficient in the current study suggests that OPay loan products are directly associated with increased SME access to loan facilities. This finding is consistent with the theory of financial intermediation, which posits that financial intermediaries exist to reduce information asymmetries and transaction costs that would otherwise prevent efficient allocation of capital. By expanding its loan product offerings, OPay is effectively reducing the barriers to loan access for previously excluded small businesses. The company's growth to over 45 million registered users and one million merchants as of 2025 is a testament to its success in attracting previously underserved SMEs.

Furthermore, the significance of the p-value (0.0001) highlights the robustness of the relationship between loan product adoption and SME loan access, reinforcing findings from international contexts. For example, a study by the Federal University Dutsin-Ma (2026) found a significant positive relationship between fintech adoption and financial inclusion in Nigeria, with platforms such as OPay widely used for savings, payments, and loan access. The current findings substantiate the critical role of loan product expansion in Nigerian SME financial inclusion. While loan product growth is essential, it must be accompanied by effective product design and service delivery to ensure that access translates into meaningful loan utilisation.

The practical implication of this finding is that OPay's strategy of expanding its loan product offerings through digital platforms and agent networks has been effective in bringing previously underserved SMEs into the formal financial system. The company's merchant loan product, which grants small business loans up to N5 Million, specifically to OPay business merchants, with interest rates of 3 percent for short-term loans and up to 15 percent for long-term loans, has been instrumental in extending loans to small businesses that would otherwise be excluded from formal financing. The Okash and Easimoni products, with loan amounts ranging from N3,000 to N3,000,000 and N3,000 to N2,000,000 respectively, have also expanded access to personal and business loans for entrepreneurs and small business owners. The finding also underscores the importance of addressing barriers to adoption, including digital literacy, trust, and the availability of supporting infrastructure, to ensure that loan product growth translates into sustained SME loan access.

OPay Transaction Success Rate and SME Access to Financial Services

The result of hypothesis two revealed that OPay's internet banking transaction success rate does significantly affect SME access to financial services in Nigeria (t-value of 5.293847 and p-value of 0.0008). The finding that transaction success rate significantly affects SME access to financial services underscores the vital role that platform reliability plays in determining SME financial inclusion outcomes. This result is consistent with prior empirical studies that highlight the importance of transaction reliability in measuring the depth of financial inclusion.

The significant positive coefficient suggests that as OPay achieves higher transaction success rates, SME access to financial services increases, indicating that transaction reliability is associated with deeper engagement with formal financial services among small businesses. This finding aligns with the broader literature, such as the work of Nkechi and Sunday (2020), who found that asset utilisation has a positive and significant impact on the net worth of companies in Nigeria. OPay's transaction success rate improved from 95.2 percent in 2019 to 99.5 percent in 2025, reflecting the growing reliability of digital financial services for Nigerian businesses.

However, the relatively larger coefficient for transaction success rate (4.251847) compared to loan product adoption (0.584729) suggests that while transaction success rate contributes to SME financial access, its impact is more pronounced than loan product expansion. This may indicate that SMEs place a higher premium on reliability and speed of transactions than on the availability of loan products. This finding highlights the importance of distinguishing between platform reliability and product availability in SME financial inclusion strategies.

The practical implication of this finding is that while OPay's transaction success rate is impressive—exceeding 99 percent in 2025—it is the reliability of the platform that fundamentally drives SME adoption and usage. The company's investments in engineering infrastructure, which have reduced processing times to under one second, have made digital financial services dependable enough for millions of Nigerian SMEs to conduct their daily business operations. This suggests that there is a need for OPay to continue investing in platform reliability while also expanding access to credit, savings, and insurance products. The company's lending business, which disbursed \$938.3 million in loans in 2025, with quarterly unique borrowers in Nigeria rising 119 percent to 4.6 million, is a step in this direction, as it enables previously underserved entrepreneurs to access financing and build formal credit histories.

In summary, the current findings highlight the critical role of both loan product adoption and transaction success rate in driving SME financial access for Nigerian firms. While loan product expansion is essential for expanding access, transaction reliability is important for deepening usage and ensuring that SME financial inclusion translates into meaningful economic benefits. Effective management and strategic planning of both dimensions of fintech operations are essential to leverage these platforms' benefits fully, aligning with the CBN's financial inclusion objectives and the broader goal of SME economic empowerment in Nigeria.

Encouraging More Nigerians to Onboard OPay Microfinance Bank

The findings of this study provide compelling evidence for encouraging more Nigerians to onboard OPay Microfinance Bank for loans and financial services. The following factors, based on the proven records of OPay, make a strong case for adoption:

Proven Transaction Reliability

OPay's transaction success rate of over 99 percent in 2025 demonstrates the platform's reliability and dependability. For SMEs that rely on timely transactions for their daily operations, this level of reliability is critical. The company's engineering investments have reduced processing times to under one second, ensuring that transactions are completed quickly and efficiently. This reliability is particularly significant in a market where incumbent banks have historically struggled with persistent downtime and cash shortages.

Accessible Loan Products

OPay's loan products, Okash and Easimoni, are designed to meet the diverse financing needs of Nigerian SMEs. Okash offers loan amounts ranging from N3,000 to N3,000,000, with flexible repayment periods from 91 days to 365 days and interest rates of 3% to 15% monthly. Easimoni provides loan amounts up to N2,000,000 with monthly interest rates of 5% to 10%. Both products require no collateral or deposits, making them accessible to entrepreneurs who lack traditional credit histories or assets to pledge as security.

Rapid Loan Disbursement

OPay's loan application process is fully digital, requiring minimal documentation. Approved loan amounts are disbursed directly to the applicant's bank account, often within minutes. This speed is particularly valuable for SMEs that need quick access to working capital to seize business opportunities or manage cash flow challenges.

Extensive Agent Network

OPay's agent banking network, with over one million merchants and businesses, provides convenient access points for financial transactions across Nigeria. The company's green Point-of-Sale (PoS) terminals operate in all 774 local government areas, ensuring that even residents of remote communities can access financial services without travelling long distances to bank branches.

Demonstrated Impact on SME Growth

Evidence from the fintech industry demonstrates the transformative impact of digital lending on SME growth. A study by Moniepoint (2025) found that businesses that received loans recorded a 36 percent increase in average transaction value, while 88 percent of surveyed merchants said their businesses grew after accessing credit. Similarly, 27 percent of businesses increased their workforce after obtaining financing. These findings underscore the potential of digital lending platforms like OPay to drive SME growth and job creation in Nigeria.

Regulatory Recognition and National Licence

The Central Bank of Nigeria's upgrade of OPay's licence to national status is a significant endorsement of the company's operations and commitment to financial inclusion. This upgrade allows OPay to operate fully across the country and provides greater regulatory certainty for customers. The company operates under Mobile Money Operator and Microfinance Bank licences, ensuring that customers' funds are protected and their transactions are conducted within a regulated framework.

Growing User Base and Market Confidence

OPay's user base has grown from 8.5 million in 2019 to over 45 million in 2025, demonstrating growing market confidence in the platform. The company's monthly active users increased by 57 percent in 2025 alone, while daily active users rose by 50 percent. This growth trajectory reflects the trust that millions of Nigerians have placed in OPay for their financial needs.

Summary of Findings, Conclusion and Recommendations

Summary of Findings

Based on the data analysis and the tests of hypotheses conducted, the study established the following major findings in line with its two specific objectives:

- i. The study revealed that OPay loan products (OKash and Easimoni) had a statistically significant effect on SME access to loan facilities in Nigeria, as indicated by a t -value of 7.184526 and a p -value of 0.0001. Since the p -value was below the 0.05 level of significance, the first null hypothesis was rejected. This finding suggests that OPay's loan products are significantly associated with SME access to loan facilities in Nigeria. Furthermore, the regression model explained approximately 96.3% of the variation in SME access to loan facilities, indicating a strong model fit.
- ii. The study also revealed that OPay's internet banking transaction success rate had a statistically significant effect on SME access to financial services in Nigeria, as indicated by a t -value of 5.293847 and a p -value of 0.0008. Since the p -value was below the 0.05 level of significance, the second null hypothesis was rejected. This finding indicates that transaction reliability is significantly associated with SME access to financial services in Nigeria.

The regression model explained approximately 88.0% of the variation in SME access to financial services, suggesting that the model accounted for a substantial proportion of the observed variation.

Conclusion

The effect of OPay Microfinance Bank on SMEs in Nigeria, using easy and timely access to loan facilities and quality and fast financial services as the basis, reveals a nuanced relationship. The findings indicate that while loan product adoption and transaction success rate are theoretically and empirically crucial for deepening SME financial inclusion, the relationship is characterised by both significant positive contributions and structural limitations in translating digital access into comprehensive SME financial empowerment. Factors such as economic instability, regulatory challenges, and gaps in loan penetration contribute to this complexity. These results underscore the importance of strategic loan product management and transaction reliability to translate digital access into meaningful SME financial inclusion. Moreover, aligning OPay's growth with the financial needs of SMEs and the broader economic objectives of Nigeria is vital for maximising SME financial access outcomes.

The findings of this study have important implications for policymakers, regulators, and financial service providers. The significant positive relationship between OPay's loan products and transaction success rate on the one hand, and SME access to loans and financial services on the other, suggests that fintech-driven SME financing strategies are effective in expanding access to formal financial services in Nigeria. However, the persistence of significant gaps in loan penetration and savings highlights the need for a more comprehensive approach that goes beyond access to include depth of usage and quality of financial services. Addressing these underlying issues can help Nigerian fintech companies leverage their growth more effectively to enhance SME financial inclusion outcomes and support the broader goal of economic development. This highlights the need for a holistic approach that integrates robust loan product design, innovative service delivery, agent network expansion in underserved areas, and regulatory compliance to drive sustainable SME financial inclusion in Nigeria.

Recommendations

Based on the findings of the study, the following recommendations are made to improve SME access to loan facilities and financial services through OPay Microfinance Bank in Nigeria:

- i. OPay Microfinance Bank should improve the accessibility and affordability of its loan products to enhance SME access to loan facilities. Specifically, the bank should review the lending limits and interest rates associated with OKash and Easimoni, where commercially viable, to ensure that the products adequately address the financing needs and repayment capacities of small businesses. It should also simplify loan application procedures, improve transparency in communicating loan terms, and strengthen credit assessment practices through responsible use of alternative data. These measures would help eligible SMEs, particularly underserved businesses with limited conventional credit histories, access appropriate financing while reducing the risk of excessive indebtedness.
- ii. OPay Microfinance Bank should sustain and improve its internet banking transaction success rate to facilitate SME access to reliable financial services. The bank should continue investing in technological infrastructure, system maintenance, cybersecurity, and transaction monitoring to minimise failed transactions and service interruptions. It should also strengthen customer support and complaint-resolution mechanisms and expand access to suitable digital financial services for businesses in underserved communities. In addition, OPay should collaborate with relevant stakeholders to promote financial literacy among SME owners so that they can use digital payment platforms responsibly and effectively. These measures would improve confidence in digital financial services and support the efficient conduct of daily business transactions.

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