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Effect Of Bank Loans On Customers Patronage Of Deposit Money Banks Services In Calabar, Cross River State.

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Abstract
The study investigates the effect of bank loans on customers' patronage of Deposit Money Banks services in Calabar, Cross River State. The inability of Deposit Money Banks to offer long-term and short-term loans to their customers often slows down the customer's patronage level. The specific objectives of the study were to examine the effect of mortgage loans, business loans and personal loans on customers' patronage of Deposit Money Banks services in Calabar, Cross River State. The study was anchored on the credit creation theory of banking and also relevant pieces of literature were reviewed. The study adopted a survey research design, 200 customers of four (4) Deposit Money Banks in Calabar metropolis were randomly selected and questionnaires were administered to them at the bank premises. The study deployed Pearson product-moment correlation as the data analysis technique. The study found out that the offering of bank loans in the form of mortgage loans, business loans and personal loans influences customers' patronage of Deposit Money Banks services in the Calabar metropolis. The study concluded that the availability of loans schemes to customers increases their loyalty to the Deposit Money Banks. The study recommended that banks should offer mortgage loans, business loans and personal loans to their customers.

Keywords: Bank loans, Customer Patronage, Deposit Money Banks.

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I. INTRODUCTION

The central role of banks in any given country can hardly be over-emphasized. Banks perform several economic functions such as lending (advances) to various sectors of the economy. They perform other functions and are in line with their intermediation role which includes acceptance of cash deposit, safekeeping of deposits and other valuables, transfer of funds as well as money creation through various forms of loans offers. Banks also encourage banking habits among the citizenry while providing employment opportunities and other corporate social responsibilities to the people. Besides banks provide the channel through which government implements monetary policies (Agbada, 2010). The Deposit Money Banks mostly grant credit on a short-term basis except on a few occasions where they lend on a medium and long-term basis provided it will not hamper the liquidity of the bank. Deposit Money Banks loans must be given with collaterals or securities to back up the loans in case of a default. Often, some policies guide Deposit Money Banks lending which must be adhered to before loans are granted. The level of interest rate has a very great role to play in Deposit Money Banks' lending practices (Aburine, 2008).

It is believed that low bank loans rate induce investment, increase income, increase consumption in the long run bring about inflation in the economy and turns to stimulate economic growth. But, over the few decades, the determinants of customer patronage of Deposit Money Banks have increased attraction in pieces of literature. Hence, the development of financial institutions such as Deposit Money Banks becomes imperative to determine the active role of bank lending (loans) rate in a given society. In performing their primary function of intermediation, the bank collects deposit from the surplus unit of its customers and give them out as loans and advances (Kalu, 2009). More so, lending practices in the world could be traced to the period of the industrial revolution which increases the pace of commercial activities, production activities and technological changes, thereby bringing about the need for large capital outlays for a project.

Banking activities have continued to be of immense support to the growth of businesses, especially through the credit (loans) facilities they offer to various sectors. These credits (loans) are expected to improve investments and in turn impact positively the level of customers' patronage. According to Ayodele (2015), every Deposit Money Bank strives to generate income through lending activities. Since Deposit Money Banks depend on depositors' money as a source of funds, it means that there are some relationships between the ability of the banks to mobilize deposits and the amount of credit granted to the customers. He added that to achieve self-sufficiency in banking operations, there is a need to improve ways of improving customers'' deposits for efficient and effective loan offering services. The banks must have adequate deposits to meet the lending volume required by the public and at the same time maintain extra cash for withdrawals by depositors. The bank cannot achieve this if there are no clear strategies for getting more customers to make deposits.

The type of loans a bank offers is dependent on the decision of the bank. According to Werner (2005), there are several types of loans offered by Deposit Money Banks and they range from; debt consolidation loans, student loans, auto loans, personal loans, small business loans, payday loans, borrowing loans, cash advance loans, home equity loans, etc. Therefore, this study is focused on examining the effect of bank loans on customers' patronage of Deposit Money Banks in Calabar, Cross River State.

1.2 Statement of the problem

Deposit Money Banks are mandated to receive deposits and make payments of authorized persons. However, modern Deposit Money Banks offer more services to their customers. Over the years Deposit Money Banks has reduced the amount of money they offer to the customer as loans. More often when these customers of Deposit Money Banks approach their banks for mortgage loans they are often turned down or are given loans with a high-interest rate. The case of small and medium scale enterprises is even the worst. Customers of Deposit Money Banks who appeal for short or medium-term loans are often not given the loans. The banks come up with several administrative bottlenecks to discourage their customers from getting the loans and will only make available business loans offer with an extremely high-interest rate.

Public sector workers, as well as private-sector workers who apply for short-term loans in the form of advance payment, encounter administrative processes that delay the entire process. This could discourage them from getting personal loans. It is against this backdrop that this study seeks to examine the effect of bank loans on consumers' patronage of Deposit Money Banks services in Calabar, Cross River State.

1.3 Objectives of the study

The main aim of the study was to examine the effect of loans on customers' patronage of Deposit Money Banks in Calabar, Cross River State. The specific objectives are;

i. to examine the effect of mortgage loans on customers' patronage of Deposit Money Banks in Calabar, Cross River State.

ii. to ascertain the influence of business loans on customers' patronage of Deposit Money Banks in Calabar, Cross River State

iii. to evaluate the effect of personal loans on customers' patronage of Deposit Money Banks in Calabar, Cross River State.

II. THEORETICAL FRAMEWORK

There are several theories of lending and loans in the field of banking. However, this study adopted the credit creation theory of banking.

According to supporters of credit creation theory, banks do not need necessary to collect deposits at first to issue loans. MacLeod (1906) said that "the business of banking is not to lend money, but to create Credit: and utilizing the Clearing House these Credits are now transferred from one bank to another, just as easily as a Credit is transferred from one account to another in the same bank utilizing a cheque." Many supporters of this theory wrote their articles in the first 20 years of the 20th century. The credit creation theory of banking proposes that individual banks can create money, and banks do not solely lend out deposits that have been provided to the back. Instead, the bank creates bank deposits as a consequence of bank lending. Consequently, the amount of money that a bank can create is not constrained by their deposit-taking activities, and the act of bank lending creates new purchasing power that did not previously exist.

Jakab and Kumkof (2014) point out that because the process does not involve physical resources, but rather the creation of money through the simultaneous expansion of both sides of banks' statement of financial position. While money is essential to facilitating purchases and sales of real resources outside the banking system, it is not itself a physical resource, and can be created at near-zero cost." Schumpeter (2016) claims that "it is much more realistic to say that the banks "create credit," that is, that they create deposits in their act of lending than to say that they lend the deposits that have been entrusted to them. And the reason for insisting on this is that depositors should not be invested with the insignia of a role that they do not play.

Biondi (2018) in support of Credit creation theory emphasizes the interaction between banks: "all the banks become interdependent on the flow of payments that are performed across them, generating the 'banking system'. Since each bank is structurally unbalanced due to money generation, inter-bank coordination is required to maintain the banking system in operation over time and circumstances. According to Mishkin and Eakins (2012) expansion of overnight loans markets and the development of new financial instruments starting in the 1960s gave additional flexibility for banks in their liability management thereby banks could set aggressive target goals for their asset growth and acquire funds as they were needed. This statement, in the author's opinion, talks in favour of Credit creation theory emphasizing that liabilities are adjusted according to the asset needed, in other words, loans are issued and then funding searched.

However, banks' exemption from the client money rules enables banks to tolerable liabilities on their balance sheet at different states of the process when extending loans, which enables banks to expand their statement of financial position (Werner, 2014). The credit creation theory of banking is criticized for neglecting the fact that Deposit Money Banks are established as a profit-oriented organizations. The theory also fails to identify the place of bad debt that could occur from loans. The credit creation theory of banking is connected to this study as it provides insight into the need for bank loans to attract bank customers'.

2.2 Conceptual model

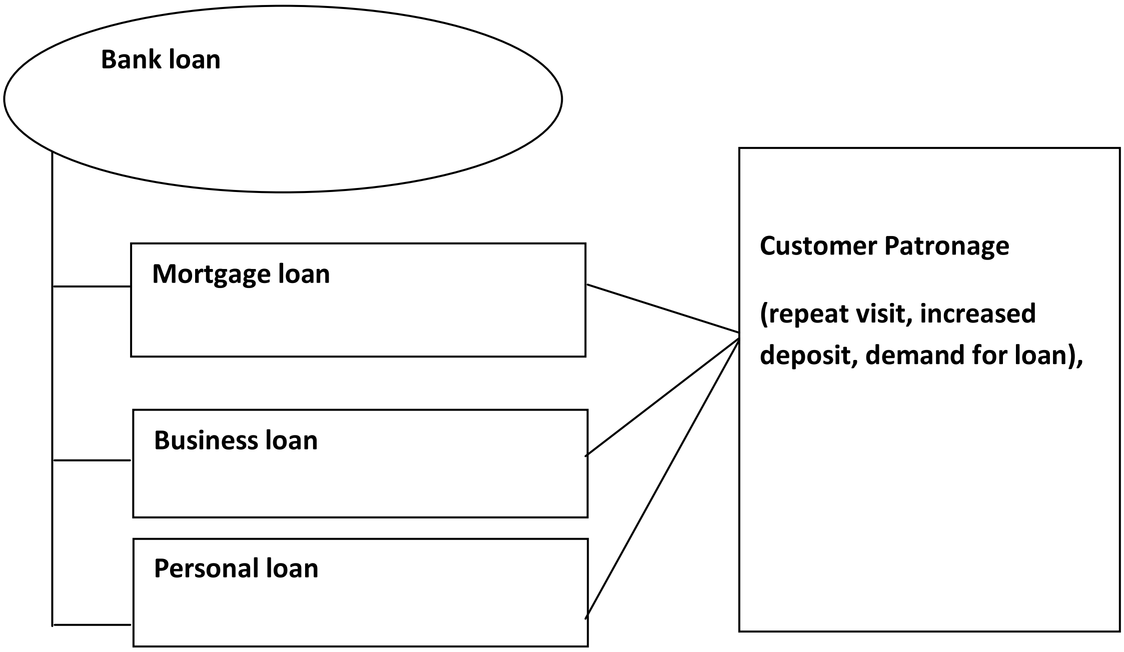

FIG 1: Conceptual model showing the relationship between bank loans and customers' patronage

Source: Researcher's Model

The model above depicts an illustration of how bank loans (mortgage loans, business loans, personal loans) affect customers' patronage (repeat visit to the bank, increased deposit, and demand for loans) of Deposit Money Banks services in Calabar Metropolis.

2.2.1 Deposit Money Banks Loans

A loan is a credit extended to a business concern within the context of a direct relationship between a borrower and lender where some part of the principal is repayable after the passage of one year. However, there is the recognition that loans can be given to non-business entities too. This widens the definition of loans. Dhikhary (2006) therefore defines loans as a written or oral agreement for a temporary transfer of a property, usually, cash in cash form, from its owner called the lender to a borrower who promises to return it according to agreed terms. The terms involve interest, time of repayment and the pattern of the repayment. If the loan is a term loan, it is repayable when the lender demands its repayment. If it is an installment loan of the lender requires repayment in equal monthly payments. In case the lender requires a lump sum to be made at the end of the time agreed then this type of loan is a time loan. Banks also classify their loans such as consumer loans, commercial loans, industrial loans, construction and mortgage loans, and secured and unsecured loans. In this study, the adopted meaning of Deposit Money Banks loans is that used by De Haas, Ferreira & Taci (2010) in which Deposit Money Banks loans were the sums of all the loans issued. Deposit Money Banks loans are therefore any type of loans issued out to any type of borrower by a registered Deposit Money Banks in Nigeria. Bank loans will be measured by Deposit Money Banks' financing arrangement item in the assets of banks. To compare with economic growth, the annual percentage change in the total amount of financing arrangements will be used.

2.2.2 Types of bank loans

According to Oke and Aluko (2015), Deposit Money Banks in Nigeria offer the following types of loans.

Debt consolidation loans: A consolidation loan pays off all or several debts owed by a customer. It services the customer's account with more cash to spend.

Student loans: Student loans are offered to students and families to help cover the cost of higher education.

Mortgage loans: are loans distributed by the bank to allow customers of banks to buy and finance home projects they want to embark on building projects.

Auto loans: like mortgage, auto loans are tied to the customer's property they can help the customer afford a vehicle but the customer risk the car if the customer miss payment.

Personal loans: can be used for any personal expenses and do not have a designed purpose. This makes them an attractive option for bank customers with outstanding debts.

Small business loans: are granted to entrepreneurs and aspiring entrepreneurs to help them start or expand a business.

Payday loans: These is short-term, high-interest loans designed to bridge the gap from one paycheque to the next used predominantly by repeat borrowers' living standard.

Cash advances are short-term loans against the customer's account. The bank credit the customer's account or gives the customer cash ahead of expected payment.

2.2.2.1 Mortgage loans

A mortgage loan is often referred to as a home loan when it is used for the purchase of a home. A mortgage is a loan in which property or real estate is used as collateral. The borrower agrees with the lender (usually a bank) wherein the borrower receives cash upfront then makes payment over a set period until he pays back the lender in full. The mortgage is considered a secured loan, meaning that they are backed up by an asset; the house should the house owner default. When the borrower defaults, lenders are permitted to take back the house, which is called foreclosure. Mortgage payments usually occur monthly and consist of for main parts, principal, interest, taxes and insurance (Ogwo & Igwe, 2012).

2.2.2.2 Business loans

According to Mishkin and Eakins (2012), a business loan is a debt-based funding arrangement between a business and a financial institution such as a bank. It is typically used to fund major capital expenditures and cover the operational cost that the company may otherwise be unable to afford. Business loans are granted to a variety of business entities, usually to assist with short-term funding for payroll or to purchase supplies used in the production and manufacturing process.

Business loans can also be seen as a lending agreement made between owners of businesses and banks. Businesses need capital; either to fund operations or simply to start themselves up and begin to turn in a profit. Banks are willing to give them the money in advance, so long as they pay it back on an agreement-upon scheduled with interest. These business loans often require that business-post collateral used in the form of property, plant, or equipment that the bank can confiscate from the borrower in the event of default or bankruptcy

2.2.2.3 Personal loans

Personal loans can be used for any personal expenses and do not have a designated purpose. Obamuuyi (2009) stated that personal loans are sometimes called signature loans or unsecured loans because there is no collateral to secure a personal loan. Instead, the Deposit Money Banks who are the lenders approve personal loans by evaluating the customer's creditworthiness. Personal loans are relatively easy to apply for and qualify for when compared to home and auto loans. That makes them useful for everything from small home improvements to expensive purchases.

2.2.3 Deposit Money Banks

Deposit Money Banks are the institutions that ordinarily accept deposits from the people and advance loans. According to Ibandlamudi, and Taidala, (2017) Deposit Money Banks are one source of financing for small businesses. The role of Deposit Money Banks in economic development rests chiefly on their role as financial intermediaries. In this capacity, Deposit Money Banks help drive the flow of investment capital throughout the marketplace. The chief mechanism of this capital allocation in the economy is through the lending process which helps Deposit Money Banks.

Activities of the Deposit Money Banks in Nigeria are expanding at a rapid pace during the period after independence. Banks that are conservative and conventional in their approach have come out from their shell and faced the challenges of planned economic growth. In recent years' non-conventional sectors are receiving the attention of Deposit Money Banks in Niger. A better understanding of the implications of financing the nonconventional sector by Deposit Money Banks is possible only if one looks back at the position of Deposit Money Banks during the pre-nationalization era (Imoughele & Ismaila, 2014).

Banking means the accepting for lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise". From the above definitions, we can analyze that the primary functions of banks are accepting of deposits, lending of these deposits, allowing deposits to withdraw through cheque whenever they demand. The business of Deposit Money Banks is primarily to keep deposits and make loans and advances for short period up to one or two years made to industry and trade either by the system of overdrafts of an agreed amount or by discounting bills of exchange to make a profit to the shareholders (Babalola, 2015). From the above discussion, we can say that the following are the functions of Deposit Money Banks.

2.2.4 Customers' patronage

Patronage can be said to mean "the material helps and encouragement was given by a patron, in this instance, the patron is seen to be a customer in an exchange transaction. It could also mean "the act of being a regular customer to a bank. In a highly competitive industry, such as banking, satisfying the customers' should be the primary focus of firms that wish to sustain patronage (Sulek & Hensley, 2004).

Patronage is defined as the degree to which a customer exhibits repeat visit behaviour from a service provider, possesses a positive, long-lasting attitude and disposition towards a service provider (Ahmad, 2009). He added that customers' patronage is defined as a deeply held commitment to repurchase a firm's products at the expense of a competitor's offering. Seock (2009), described patronage as the repeat visit behaviour at a particular bank for either the same service or any other services. From the views of the aforementioned authors, it shows that the survival of any business is a function of the rate of patronage.

2.3 Empirical study

Papka, Innocent and Enam (2019) conducted a study on, the impact of Deposit Money Banks' credit on Agricultural output in Nigeria, covering the period 1980 to 2018. Annual time series data was employed, which was sourced from Central Bank (CBN) publications such as Statistical Bulletins and Bullions, and National Bureau of Statistics (NBS) publications. A stationary test was conducted on variables to ascertain whether they have unit-roots. It was discovered that they were all stationary at first difference. Co-integration test, however, revealed that a long-run relationship exists among the variables, also ECM model result showed that the model returns to short-run equilibrium after an exogenous shock, with a speed of adjustment of negative one (-1), this implies that 100% of all the deviations in the past will adjust to equilibrium. Ordinary least square Method was employed to estimate the relationships among the variables and the result showed positive and significant relationship exists between Deposit Money Banks' credit and Agricultural output in Nigeria, the same relationship also exists between Expenditure made on Agriculture by Government and Agricultural output in Nigeria. The interest rate was negatively related to Agricultural output in Nigeria, the results are all according to *a priori* expectations. However, Deposit Money Banks' loans perform better than government expenditure on agricultural output in Nigeria. The study based on the findings, recommends that; (i) Government should as a matter of policy through the Central Bank make loans from Deposit Money Banks available and affordable by lowering the interest rate and (ii) Government should increase its expenditure on Agriculture, and ensure proper monitoring to enforce judicious utilization of fund.

A study conducted by Ugwu-Oju, Vincent, and Mbah, P.C. (2019), assesses the effectiveness of Deposit Money Banks loans as sources of funding Small and Medium Enterprises (SMEs) in Southeast, Nigeria. A cross-sectional survey method wherein a structured questionnaire was used to collect data was adopted. A sample of 500 respondents was randomly selected from the five industrial hubs in the five states of Southeast. With the aid of pecking order theory (POT)/hypothesis of Lending, percentage formula, and SPSS version 20.0 tools, the data generated from the respondents were analyzed. Among others, the results of the analysis reveal that SMEs and Deposit Money Banks are highly indifferent to the loans facilities; strict collateral requirements, high-interest rates, and the nature of requirements for guarantors dissuade SMEs from accessing loans; and government interventions provided palliative measures but failed to address the problems associated with the loans. Therefore, the recommends policy reforms to reduce the interest rate, collateral and guarantor requirements.

Akinwale, (2018) examined the relationship between bank lending and economic growth in Nigeria between 1980 and 2016. Data sourced from the various issues of the Central Bank of Nigeria Statistical Bulletin was analyzed through the Dynamic Ordinary Least estimation technique. Data treatment was done through stationarity and co-integration tests. The unit root test showed that the variables were integrated at order on I (0) except the rate of bank lending, inflation, and real exchange were integrated at order on 1 (1). The result of co-integrated showed a long-run relationship among the variables. The Results proved that a unit percent decrease in bank lending rate will bring about 118% increases in economic growth. Furthermore, the findings of Greenwood and Jovanovic's Hypothesis established that as bank loans rate increases customers' patronage to Deposit Money Banks and as well as enhances economic growth which tends to increase living standards of bank customers'. The study concluded that a decrease in bank loans rate increased economic growth during the study period. Therefore, a policy that will reduce bank loans rate should be put in place to boost economic growth in Nigeria.

Adegbite and Azeez, (2018) evaluated the effect of customers'' deposits on loans administration in Nigerian banks from 2007 to 2016. Secondary data were obtained from annual reports of ten (10) quoted Nigerian Deposit Money Banks. The variables for which data were sourced include Loans and advances, Customers'' deposits, Investment, Interest Income, and Operating expenses from 2006 to 2015. Panel data results show that customers' deposits, investment and interest rates have a positive significant impact on loans and advances of the sampled banks. On contrary, operating expenses have a negative insignificant effect on loans and advances. In conclusion, customers'' deposits have a strong, statistical and significant positive impact on loans and advances in Banking Sectors in Nigeria. To enormously improve customers'' deposits, the bank should design more packages that would entice and motivate customers'' patronage and deposits, this will invariably increase customers'' loyal to deposit more cash with the bank which will ultimately generate additional revenue for banks to satisfy their customer in terms of loans and advances.

A study conducted by Nwulu and Asieghu (2015) on advancement inclination behaviors (AIB) and customers' patronage (CP) of Deposit Money Banks in Rivers State. Drawing on the Regulatory Focus Theory, in general, and promotion focus in particular, the paper argues that advancement inclination behaviors can influence customers' patronage of these banks" products. Primary data collected with a structured questionnaire from seven hundred and ninety-two (792) academic staff of three Universities in Rivers State, were analyzed using Spearman's rank-order correlation coefficient, as obtained in SPSS version 20.0. The study found a significant and positive relationship between advancement inclination behaviors of bank customers' when they are offered personal loans and customers' patronage. The paper, therefore, recommends that firms that seek to achieve increased patronage from these academic staff should take cognizance of their advancement inclination behaviors in the design, development and delivery of bank products.

A study conducted by Akujuobi & Nwezeaku (2015) on bank lending activities and economic development in Nigeria; an empirical investigation The paper examined the effect of bank lending activities on economic development in Nigeria, covering the period, 1980-2013. In models 1 and 2, the human development index and the industrial gross domestic product were employed as proxies for human development and industrial development respectively while Deposit Money Banks credit to the general commerce, production, services and other sectors formed components of bank lending activities. Applying the test for stationarity with the Ordinary Least Square (OLS), and Co-integration procedures, the hypothesis that there is no significant relationship between bank lending activities and economic development was tested. The results revealed a significant relationship between bank lending activities and economic development in Nigeria. Whereas in model 1, both credits to the general commerce and production sectors were statistically significant as well as met the a priori expectation, model 2 showed that only credit to the services sector carried the wrong sign and at the same time was statistically insignificant. The study, thus concludes that the Central Bank of Nigeria needs to step up its supervisory roles to reduce the incidence of insider dealings, bad credit administration and poor corporate governance among Deposit Money Banks in Nigeria.

Ayodele (2015) carried out a study on the role of revolving loans scheme (Esusu) in the development of rural areas of the country. An investigation was carried out to see how far the 'Esusu' groups have substituted for Deposit Money Banks among respondents in Olaoluwa and Iwo Local Government Area of Osun State of Nigeria. Though there are few commercial and Microfinance banks in the area surveyed, the people have not benefitted much from them due to their formal ways of doing things and their refusal to grant loans to individuals without collated securities. Hence, the people in the locality take solace in the revolving loans scheme organizations around them which have paid off. Their collections from the 'Esusu' groups have been used meaningfully in their businesses, farming and in sponsoring their wards in schools. It is therefore advised that government should give proper recognition to the 'Esusu' and assist them to foster the development of the Nigerian Financial System. The Deposit Money Banks should also be compelled to have direct linkage with the 'Esusu' groups so that they can have enough money as loans for their various projects so that the duo can be seen as complementary instead of rivals in their operations. This will go a long way to improve the economic status of the nation.

III. RESEARCH METHODOLOGY

The researcher adopted a survey research design in this study. The survey research design was deemed fit to be most appropriate for the study because it creates a window for respondents to react to identically worded questions that are normally presented in the same order and with the same response options for each question. The population of the study comprised of 200customers' of four Deposit Money Banks i.e. First Bank, Ecobank, United Bank of Africa (UBA) and Fidelity Bank in Calabar Metropolis. To determine the sample size for the study since the population of the study is unknown, the research purposively selected 50 customers each from the four selected banks (First Bank, Ecobank, United Bank of African (UBA) and Fidelity bank). Simple random sampling technique was adopted for the study. This is because it creates equal opportunity for every member of the population to be selected for the study. The researcher administered copies of the questionnaires to the bank customers' within the bank premises.

Sources and method of data collection

The primary data was collected through the administration of questionnaires to respondents. The instrumentation for the study was copies of structured questionnaires. That came in the form of a five-point Likert scale. Likert scale involves a list of the statement, in which each degree of agreement is given a numerical score and the respondent's total score is computed by a summary of the score from all statements. The questionnaire was of two parts; part A contained questions of the biodata of the respondents and part B contained questions relating to the three independent variables (mortgage loans, business loans, personal loans) and the dependent variable (customers' patronage). The frequencies of the demographic data were analyzed in percentage while the research items in the questionnaire were analyzed by taking the weighted average of the mean score using the Likert scale;

SA = (Strongly Agree) = 5points
A = (Agree) = 4 points
U = (Undecided) = 3 points
D = (Disagreed) = 2points
SD = (Strongly disagree) = 1point

The validity of a scale relates to whether the differences in the scores on the scale reflect the differences in what is being measured. The face and content validity of the instrument depended heavily on the acceptance and approval of the research supervisor and other marketing scholars only when it conforms to the standard of the department of banking and finance. The reliability of the research instrument was done through the test and retest method. The researcher conducted a pilot study on 30 customers' who were found receiving services from Deposit Money Banks The Cronbach alpha coefficient (r) for the test of reliability was done with the use of a statistical package of social science (SPSS) version 21. With a coefficient of at least 0.83, the instrument is considered to have high reliability and was acceptable to measure what it is expected to measure. The statistical package for social science (SPSS) will be used to analyze the data with a simple regressive analysis. The application of Pearson product-moment correlation is relevant in this study because it is a measure of the degree of the linear relationship between two variables usually, labeled X and Y. it measures the strength and direction of association that exist between two variables measured on at least an interval scale.

Model specification

$Y= \beta o+ \beta 1X1 + \beta 2X2 + \beta 3X3 +\varepsilon$
Where, Y= Customers' patronage of Deposit Money Banks
$\beta 0$ = Constant
$\beta 1$= Regression coefficients relating to bank loans
X1 = Mortgage loans
X2 = Business loans
X3 = Personal loans
ε = Error term.

4.1 Data analysis and discussion of findings

Hypothesis one

Ho1: There is no significant relationship between mortgage loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State.

Ha1: There is a significant relationship between mortgage loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State.

Table 4.1

Pearson correlations analysis for the effect of mortgage loans on customers' patronage of Deposit Money Banks

		Mortgage loans	**Customers' patronage**
Mortgage Loans	Pearson Correlation	1	.668**
	Sig. (2-tailed)		.000
	N	193	193
Customers' patronage	Pearson Correlation	.668**	1
	Sig. (2-tailed)	.000	
	N	193	193

Source: Statistical Package for Social Science data analysis version 21.

Table 4.1 above reports Pearson Correlation analysis for the relationship between mortgage loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State. The analysis revealed a Pearson Correction Coefficient of 0.668 which implied a positive relationship between mortgage loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State. Therefore, the null hypothesis which states that there is no significant relationship between mortgage loans and customers' patronage of Deposit Money Banks in Calabar, the Cross River States was rejected and the alternative hypothesis which states that there is a significant relationship between mortgage loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State was accepted.

Hypothesis two

Ho2: There is no significant relationship between business loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State.

Ha2: There is a significant relationship between business loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State.

Table 4.2

Pearson correlations analysis for the effect of business loans and customers' patronage of Deposit Money Banks

		Business loans	**Customers' patronage**
Business loans	Pearson Correlation	1	.589**
	Sig. (2-tailed)		.000
	N	193	193
Customers' patronage	Pearson Correlation	.589**	1
	Sig. (2-tailed)	.000	
	N	193	193

Source: Statistical Package for Social Science data analysis version 21.

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Table 4.2 above reports Pearson Correlation analysis for the relationship between business loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State. The analysis revealed a Pearson Correction Coefficient of 0.589 which implied a positive relationship between business loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State. Therefore, the null hypothesis which states that there is no significant relationship between business loans and customers' patronage of Deposit Money Banks in Calabar, Cross River States was rejected and the alternative hypothesis which states that there is a significant relationship between business loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State was accepted.

Hypothesis three
Ho3: There is no significant relationship between personal loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State.
Ha3: There is a significant relationship between personal loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State.

Table 4.3
Pearson correlations analysis for the effect of personal loans and customers' patronage of Deposit Money Banks

		Personal loans	Customers' patronage
Personal loans	Pearson Correlation	1	.601**
	Sig. (2-tailed)		.000
	N	193	193
Customers' patronage	Pearson Correlation	.601**	1
	Sig. (2-tailed)	.000	
	N	193	193

Source: Statistical Package for Social Science data analysis version 21.
.
Table 3.3 above reports Pearson Correlation analysis for the relationship between personal loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State. The analysis revealed a Pearson Correction Coefficient of 0.601 which implied a positive relationship between personal loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State. Therefore, the null hypothesis which states that there is no significant relationship between personal loans and customers' patronage of Deposit Money Banks in Calabar, Cross River States was rejected and the alternative hypothesis which states that there is a significant relationship between personal loans and customers' patronage of Deposit Money Banks in Calabar, Cross River State was accepted.

4.2 Findings of the study

* The study found out that mortgage as a form of Deposit Money Banks loans enhances customers' patronage of bank services.
* The outcome of the study shows that business loans influence the rate of patronage of commercial services in Calabar.
* The study revealed that personal loans impact customers' patronage of commercial bank services in Calabar.

V. CONCLUSION

Banks approve new loans, these loans can be categorized into four different types: consumer loans, real estate loans, government-sponsored loans and business loans. Consumer loans are accumulated by individuals to pay for personal needs. For instance, a person can borrow money from a bank to purchase a new car or pay for his education. The real estate loans concept refers to loans used for acquiring physical properties such as office buildings, shops. On the other hand, government-sponsored loans are defined when borrowers are government entities. The last group of loans, business loans, is the target group of this research. Business loans, or so-called commercial loans, can be either short-term or long-term, which are carried out for financing business entities.

In our society, credit level is not distributed evenly since some people and organizations have more money than they currently need while there are ones who have less. As a result, it leads to the existence of the money market and within the market; banks play an important role as financial intermediates between lenders and borrowers. They gather money that is littering in the economy and redistribute it to provide credit to business organizations and individuals that require financial supports. The outcome of the study shows that Deposit Money Banks loans such as mortgage loans, business loans and personal loans have a significant effect on customers' patronage of Deposit Money Banks service in Calabar, Cross River State.

Recommendations
In line with the findings of the study put forth the following recommendations.

- The management of Deposit Money Banks should offer mortgage loans to its customer to increase their customer's patronage level.

- Business loans with low-interest rates should be offered to their customers. Customers of commercial who are owners of small-scale businesses carry out transactions more often.
- Deposit Money Banks in Calabar should give its customer personal loans. Hence, Cross River State is known as a civil service State. Deposit Money Banks should offer its customers' loans advance to its customers.

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