# DETERMINANTS OF CASHLESS POLICY AND DEPOSIT MONEY BANKS FINANCIAL PERFORMANCE IN NIGERIA

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**Abstract**

*This study investigates the effects of cashless policy on the bottom lines of Nigerian deposit money institutions. Major objective of this study, is to investigate the impact of cashless policy on performance of deposit money banks. This panel study used data from the annual reports of Nigeria's five (5) main commercial banks. Data was collected from 2013 to 2022. The statistical analysis was conducted using E-Views 10. Regression analysis which was used to investigate how various payment mechanisms (ATM, NEFT, POS, and cheque) affected a firm's success. The study revealed that ATM transactions, NIP transactions, mobile banking transactions, and cheque transactions all had a significant impact on Nigeria's deposit money banks. It is suggested that Banks technical staff should undergo continuous training, in order to learn and develop competence in recent contemporary development in banking. Bank management should be encouraged to emphasize efforts to improve ATM services in order to increase return on investment (ROI), since this would result in satisfied and loyal customers.*

**Keywords:** Cash Less Policy, Electronic Banking, Deposit Money Institutions, Point-of-Sale terminals (POS), Mobile Money Transfers (MMTs).

Jel Classification Code: G38; G39.

## 1. Introduction

The current monetary system is the consequence of decades of continual evolution. It all started as a barter economy and has evolved multiple times due to the limits of subsequent systems. Electronic approvals and settlements issued by banks around the world have helped to shape the concept of a global community. The importance of banks in the expansion of any economy cannot be overestimated (Godswill, Ailemen, Osabohien, Chisom, and Pascal, 2018).

Customers in Nigeria had to physically visit a bank office to complete any type of transaction prior to the introduction of electronic payment. The customers que up needed to and speak with a teller for an extended period of time. Most individuals are put off by the inconvenience of the ques, and might occasionally break away out of rage. Bankers, IT specialists, business owners,

and others have been pushing for years to do away with cash in favor of more adaptable, efficient, and cheap retail payment methods (Adu, 2016).

E-payments and other forms of electronic banking will enable the cashless economy to progress. Electronic payments can be made via a variety of methods, such as online/internet banking, POS terminals, and mobile banking apps. Ikpefan, Akpan, Godswill, Grace, and Chisom (2018) contend that widespread use of such channels is favorable to the transition to a cashless society.

A cashless economy is not a fictional society in which all transactions take place digitally and no physical currency exists. In a cashless economy, people and businesses can perform financial transactions without ever touching physical currency, relying instead on electronic payment systems such as credit and debit cards. The purpose of cashless policy is to eliminate the high cost of cash, the risk of carrying cash, the enormous subsidy, the informal sector, inefficiency, and corruption caused by the widespread usage of physical currency in the economy. However, the Central Bank of Nigeria's (CBN) cashless economy policy plan is a positive step forward, the program's long-term survival is dependent on end-user acceptance and compliance (Muotolu and Nwadialor, 2019).

The growth of ICT has enabled the global acceptance of cashless banking. The transition to cashless banking in Nigeria has changed the way the government, businesses, and citizens manage their money. This might have caused numerous complications in the society. The cashless policy has resulted in the emergence of numerous new kinds of cashless payments. The most common types of electronic payment hardware in the country are automatic teller machines (ATMs), point-of-sale terminals (POSs), mobile money transfers (MMTs), and online money payments (WEBs).

Ogbeinde and Fapohunda (2017) describe a cashless policy as having no transaction frictions that may be eased by the usage of money balances, and hence providing a purpose for maintaining such balances even when they earn a rate of return Money would continue to be a means of exchange for goods and services for the foreseeable future, hence it was emphasised that a cashless policy does not mean its extinction. It is a monetary system that encourages the use of electronic payment methods, reducing the demand for actual currency. Contrary to popular belief, the term "cashless economy" refers to a system in which only the most important monetary transactions take place with cash (Adu, 2016).

The phrase "e-banking" refers to the use of the internet to ease financial transactions and distribute associated information to customers. This is accomplished by using internet-connected devices such as desktop computers and laptops (Okafor, 2020). The bank promotes

its services through its own website. In E-Banking, consumers' requests are received and processed through the same medium they used before: the Internet. Customers may access banking services whenever they need them as a result of this provision.

The process comprises making monetary transactions with a cell phone. As a result, the phrase "mobile banking" (or "m-banking") refers to the supply and management of banking and financial services through mobile communication devices. Essentially, this is a technique of moving money between users, with funds coming practically instantaneously. Payment instructions are delivered over the card infrastructure, and receivers receive receipt confirmations via secure SMS. Because of the rapid rise of mobile phone usage and the low infrastructure investment necessary to support it, this new breakthrough has quickly become popular among customers. This product also supports account queries, transfers, recharges, password changes, and bill payments (Adu 2016).

ATMs enable customers to execute financial transactions at any time and from any location. An ATM can be used for a variety of purposes, including cash withdrawals, account balance checks, fund transfers, topping up mobile phone airtime, and so on. A bank machine that accepts electronic cards. A personal identification number (PIN) can be used to access a cardholder's account. The chemical bank in Rockville Center, New York, established the world's first public ATM in 1969. Nigeria became the world's first country to implement automated teller machines (ATM) in 1989. NCR was commissioned by the General Bank of Nigeria Society to establish it. ATMs are primarily used for cash withdrawals, hence they fall short of totally automating the economy and transforming Nigeria into a cashless society. The convenience of ATMs for depositors simply boosts the flow of funds into the economy. Credit and debit cards are required to facilitate Nigeria's transition to a cashless economy (Okafor, 2020).

Customers can use this electronic payment method to check their balance, make purchases, and send money from a real retail store. Customers can use the device to pay for their products without physically giving over any cash. Customers pay for goods and services by inserting their credit card into a POS terminal and providing personal information. If the transaction is successful, the customer's account will be debited and the funds transferred to the merchant's account. Customers that pay using credit or debit cards can utilize a POS terminal to complete their transactions. Consumers can make retail purchases, cashless payments, cash back balance inquiries, airtime sales, mini-statement printing, and other transactions (Ikpefan, Akpan, Godswill, Grace, and Chisom, 2018).

The Nigerian Interbank Settlement Scheme is an internet platform where banks exchange currency to facilitate quick payments between banks for single or multiple recipients with individual amounts not exceeding N10 million. While NIBSS fast payments are completed instantly, National Electronic Funds Transfer (NEFT) transactions are executed during the CBN's next available clearing session and are frequently deposited in the beneficiary's account the same or next business day. (Onoh, 2017)

The Apex Bank of Nigeria, or Central Bank of Nigeria, implemented a cashless policy that increased the significance of e-products such as ATMs, POS terminals, mobile and internet banking, NIBBS Electronic Funds Transfer (NEFT), and NIBBS Instant Payment (NIP) transactions. This is now feasible due to widespread advancements in ICT. To remain relevant and competitive in the face of the challenges posed by the cashless policy, deposit money institutions made significant investments in ICT. Despite the significant operating costs associated with a cash-based economy, most Nigerian banks are well-known for the large profits they report each year (Okafor, 2020).

Nigeria's cashless policy has significantly benefited the country's thriving commercial sector. Cashless practices, however, have been linked to an increase in fraud and other sorts of dishonesty. Because the cashless policy relies only on electronic money transactions, Nigeria has experienced a surge in cybercrime and fraud in recent years, as well as an unstable network infrastructure (Ogbeide and Fapohunda, 2017).

It has been noted that there are challenges associated with the implementation of a cashless policy; Akhalumeh and Ohiokha (2011) showed that 34.0 percent of respondents highlighted the issue of online fraud, 15.5 percent cited the issue of restricted POS/ATM, 19.6 percent listed the issue of illiteracy, and 30.9 percent were agnostic. Furthermore, the majority of Nigerian studies on cashless police used various factors rather than the most recent data. This study sought to close these gaps. Although, Onoh (2017) might have rightly argued that electronic money contains technological and economic components, yet how to describe it remains an issue.

The major objective of this study is to examine determinants of cashless policies and how it affects the bottom lines of money deposit banks performance.

## 2. Literature Review

### 2.1 Theoretical Literature

Different theories have been used to explain cashless policy by researchers. Some of these theories are the diffusion of innovation theory, the technology acceptance theory and financial intermediation theory.

#### 2.1.1 Diffusion of innovation Theory

The diffusion of innovation theory was developed by Rodgers (1962) and it provides a discussion of how new innovations get to be adopted by the users as time gets to lapse. The theory further provides a clarification of the actions of the end users during adoption of the new innovations like electronic banking in the financial institution. This theory defends the position that organizations take part in the dissemination of innovation so as to acquire competitive benefit, minimize charges and safeguard their tactical spots. The philosophy as suggested by Rogers expounds on in what manner a novelty is dissolved amongst consumers over a specific period (Liu & Li, 2009). The underpinning demonstrates that the adopters' partakers of any advancement in technology assume a bell-shaped scatter curve which can be categorized into five portions to group consumers by way of innovativeness (Rodgers, 1962). Rogers categorized clients as pacesetters, initial adopters, primary majority, late majority and dawdlers. The relevance of the theory to the study is that it explains that forces that drive deposit money banks in Nigeria to adopt electronic banking channels like ATMs with the aim of enhancing cashless policy and financial inclusion.

#### 2.1.2 Technology Acceptance Theory

According to Davies (1989) it is an information systems theory that models how users come to accept and use a technology and behavioural intention is a factor that leads people to use technology. The behavioural intention is influence by the attitude which is the general impression of the technology. Davies suggested that Perceived usefulness (PU) and Perceived ease-of-use are factors that influence users' decision. Perceived usefulness (PU) is the degree to which a person believes that using a particular system would enhance their job performance" It means whether or not someone perceives that technology to be useful for what they want to do. (Davies, 1989) Perceived ease-of-use (PEOU) is the degree to which a person believes that using a particular system would be free from effort, if the technology is easy to use, then the barriers conquered. It's not easy to use and the interface is complicated, no one has a positive attitude towards it (Davies, 1989).

### 2.1.3 Financial Intermediation Theory

The theory of financial intermediation was developed by Gurley and Shaw (1960), the financial intermediation theory consider financial institutions as intermediaries whose role is to mobilize deposits and savings from surplus units that are accumulated and latter loaned out in areas with deficit in form of credit facilities. This way, the money deposit banks are able to realize cashless policy and financial inclusion.

## 2.2 Empirical Review

Nwude, Igweoji and Udeh (2020) investigate the effect of e-banking on deposit money banks performance and financial inclusion in Nigeria for the period 2007-2017. The result of the regression analysis revealed that electronic banking has made positive and significant contribution in promoting cashless policy and financial inclusion in Nigeria. Wanjiku (2020) covered commercial banks in Kenya and sought to link technological banking innovations and cashless policy implementation. The variables covered in this study were internet, electronic, agency and mobile banking and all were seen to influence implementation of cashless policy. Nazaritehrani and Mashali (2020) did an analysis whose focus was on e-banking channel development and the implication on market shares of developing nations. Among the variables that were covered in this study include point of sales, mobile, internet and ATM banking and these were found to have positive influence on market share of the banks.

Shihadeh (2021) used the case of Palestine to explore how cashless policy impacts on performance of banks. The inquiry showed that penetration of banks, adoption of ATMs could enhance the performance of banks. Ezekiel (2021) examined ATMs and their contributions towards cashless policy using the case of Nigeria. The findings were that penetration of ATMs is a significant determinant of cashless policy among commercial banks. Sabwa (2021) analyzed mobile banking and the role it plays on cashless policy borrowing evidence from Kenyan banks. The findings were that mobile banking is a significant determinant of cashless policy implementation among banks in Kenya.

Gharbi and Kammoun (2022) examine the relationship between digital banking and financial inclusion in Tunisia using four indicators of inclusive development: access, use, quality and efficiency of financial services. By developing a questionnaire survey of Tunisian bank employee, the researchers found a positive relationship between digital banking and financial inclusion in Tunisian.

Abdi, Hussein and Kadir (2022) investigate the effect of automated teller machines and mobile banking on financial inclusion among commercial banks in Somalia. A descriptive survey design was adopted targeting 6 commercial banks in Somalia that had successfully rolled out electronic banking while the respondents covered the Banks staff, like managers and officers from each institution respectively and census was used. Primary data was collected on automated teller machines, mobile banking and customer deposits with the aid of the questionnaire. The analysis was conducted through the Statistical Packages for Social Sciences version 24 utilizing descriptive statistics (means and standard deviations) and inferential statistics (correlation and regression analysis). The study found out that automated teller machines and mobile banking are significant predictors of financial inclusion among commercial banks in Somalia. Thus, electronic banking is a significant enabler of financial inclusion of commercial banks.

Osuji, Erhijakpor and Mgbeze (2022) investigate the connection between Nigerian financial inclusion and electronic banking. The amount of transactions made in Nigeria on ATMs, point-of-sale systems, web-enabled applications, and mobile devices served as proxies for electronic banking in the study, and the ratio of the adult population with bank accounts to the total adult population in Nigeria served as a proxy for financial inclusion. The study used multiple regression analysis with the E-Views 9 program, adopting correlational and ex-post facto research approaches. It was discovered that while the volume of transactions made through point-of-sale and mobile devices is strongly correlated with financial inclusion, those made through automated teller machines and web-based channels do not affect financial inclusion.

Adeniyi and Olutayo (2015) discovered that people were pleased with their lives after implementing a cashless policy since it gave them easier access to financial services.

Akhalumeh and Ohiokha (2012) conducted empirical study and discovered that instituting a cashless system was not without challenges. The empirical analysis revealed that 34% of respondents mentioned internet fraud, 15.5% mentioned limited POS and ATM availability, 18.69% mentioned illiteracy, and 30.99% remained neutral, indicating that the respondent was unsure of the problems they would face or expected to face under the cashless policy. They say that the cashless policy is having a lesser impact in Nigeria's rural communities due to isolated incidences of fraud, theft, and violence. People's preference for cashless policy is likely to rise as a result, supporting financial inclusion in some form or another. According to Acha Ikechukwu (2012), the existing challenges with cashless banking can be addressed by the implementation of appropriate regulatory interventions and the commitment of other interested parties to the fundamental goal of microfinance banking.

Yaqub et al. (2013) shed light on the constraints imposed by existing norms on the growth of cashless banking operations. In 2015, Alao and Sorinola conducted an empirical study on the influence of commercial banks' cashless policy on customer satisfaction in Nigeria's Ogun State. According to the study's findings, a cashless policy has the potential to improve consumer happiness, especially when applied through digital channels.

Ajayi (2014) investigated how a cashless monetary policy in Nigeria will impact the banking sector, finding potential issues and solutions. Odumeru (2013) proposed that in order to increase mobile banking usage in Nigeria, key stakeholders should focus more on its relative advantage, complexity, compatibility, trialability, and observability.

According to Achor and Robert (2013), Nigerian policymakers are transitioning from a cash-based to a cashless economy. The same year, Okoye and Ezejiofor (2013) investigated the potential of cashless policies in Nigeria to improve economic growth by examining their primary benefits and distinguishing qualities. They proposed numerous techniques for informing Nigeria's uneducated masses about the benefits of a cashless society.

Having reviewed the literature in this area of study, there is a knowledge gap of using current data to find out the current position of cashless policy and its determinants on the performance of deposit money banks in Nigeria, which is the gap that this study is to filled.

The researcher reviews some published works in the management of cashless policy, which deals with Cashless Policy of Deposits money banks. There is however knowledge gap to be filled in this particular area, by using current data to find out current position of cashless policy and its determinants on the performance of money deposit banks. It provides insight to management of Deposit Money Banks, in order to determine Banks performance. It also established that efficient cashless policy management is an important predictors of Banks performance. These specific aspects of Deposit Money Banks management, and performance, have not been adequately covered by the existing literature. This study has attempted to cover this lacuna in a comprehensive manner. This work has contributed to existing knowledge on the subject matter. The work will be of tremendous assistance to managers, investors, financial analysts, as well as researchers in the field of corporate financial management.

## 3. Methodology

### 3.1 Population and Sample Size

This study used the longitudinal research design because the variables under consideration have manifested and they were sourced for a period of time. There are 19 commercial banks in

the country which therefore make up the entire study population. Zenith Bank, GTBank, Access Bank, UBA, and First Bank—the top five commercial banks in the country—serve as samples, and data on each variable is gathered in a time series from 2013 to 2022.

**3.2 Model Specification**

deposit money bank financial performance was modeled as a function of the average earnings of the five selected banks. In contrast, the ATM, NEFT, NIP, EBN, POS, CHQ, and WEB cashless tools are the dependent variables used to measure the performance of the banks.

Functional form:

PERFF= f (ATMM, NEFTT, NIPP, EBNN, POSS, CHQQ, WEBB) ……. (i)

Econometric form:

$PERFF_t = \beta 0 + \beta 1ATMM_t + \beta 2NEFTT_t + \beta 3NIPP_t + \beta 4MBNN_t + \beta 5POSS_t + \beta 6CHQQ_t + \beta 7WEBB_t + \mu t$……. (ii)

The variables are defined as follows;

PERFFt refers to the banks' performance during time period t.

ATMMt represents corresponds to the quantity of ATM transactions during time t.

NEFTTt represents the quantity of NEFT transactions during time t.

NIPPt represents the volume of NIP transactions during time t.

MBNNt represents the quantity of mobile banking transactions during time t.

POSSt represents the volume of POS transactions during time t.

CHQQt represents the quantity of cheque transactions during time t.

WEBBt represents the volume of web pay transactions during time

**4. Results and Discussions**

From the result in table 4.1 below, it shows that over the years, banks have made an average profit of # 94.9 billion, with a minimum of # 66.7 billion and a maximum of # 145 billion. The average annual value of ATM transactions over the study period was #5.5 trillion, with a standard deviation of #4,282 indicating that annual values varied widely around the mean. Annual values ranged from a low of #1.5 trillion to a high of #16.5 trillion. The total value of all NEFT transactions executed ranges from a low of # 10.8 trillion to a high of #14.9 trillion every year, with an annual average of #13.0 trillion. Over the years, the average value of NIP transactions has been #50.2 trillion, with a minimum of #3.9 trillion and a maximum of #15.8

trillion in any one year. The average value of all mobile banking transactions handled was #1.7 trillion, with a low of #1.8 billion and a high of #7.2 trillion. From a low of #31 billion to a high of #9 trillion, POS transactions have processed an average of #1.7 trillion. The total value of all cheque transactions handled is #7.8 trillion, with a maximum of #22.3 trillion and a minimum of #4.5 trillion in any given year. Through its history, the web has handled transactions totaling an average of #240 billion per year, a low of #31.5 billion per year, and a maximum of #675 billion per year.

Table 4.1: Summary Statistics of Variables

| Variable | Mean | Standard Deviation | Minimum | Maximum |
|---|---|---|---|---|
| **PROFIT** | 948950.520 | 293810.490 | 667090 | 1454704.200 |
| **ATMM** | 54950.750 | 42820.8010 | 1561.740 | 165130.610 |
| **NEFTT** | 135410.990 | 15390.7320 | 10845.180 | 149460.460 |
| **NIPP** | 502340.140 | 507160.180 | 3891.0260 | 1582230.60 |
| **MBNN** | 17120.8180 | 24607.6230 | 18.980 | 72310.9650 |
| **POSS** | 17820.3050 | 27704.1430 | 31.020 | 90650.7530 |
| **CHQQ** | 78110.4810 | 52000.7680 | 4481.6690 | 223020.650 |
| **WEBB** | 240.42680 | 2520.87160 | 31.567360 | 6750.91670 |

Source: Using E-views 9.0 Software (2024)

**Regression Analysis**

OLS was employed in estimating the regression, because the variables were tested to have the same order of differences, which is tested to be order 1.

Model;

Functional form:

PERFF= f (ATMM, NEFTT, NIPP, EBNN, POSS, CHQQ, WEBB) ……. (i)

Econometric form:

$PERFFt = \beta 0 + \beta 1ATMMt + \beta 2NEFTTt + \beta 3NIPPt + \beta 4MBNNt + \beta 5POSSt + \beta 6CHQQt + \beta 7WEBBt + \mu t$……. (ii)

From table 4.2 below, it shows that the probability values of ATM transactions (.040), NIP transactions (.04170), mobile banking transactions (.04840), and cheque transactions (.04050) are all smaller than the 5% significance threshold, it may be concluded that these variables have a positive and substantial influence on bank profits in Nigeria. The probability values of NEFT, POS, and online transactions are all over the 5% significance level, suggesting that they have little to no effect on banks' bottom lines performance.

The only variables in the regression result where the signs of the coefficients are unexpected are POS transactions and online purchases.

Table 4.2 below, displays the regression result, which indicates that the independent variables account for 99.25% of the variation in bank profits across Nigeria. The modified R-squared value is 0.9769%. This demonstrates that the model is accurate.

Model F-statistics are 55.58, and a Prob (F-statistics) of 0.0177 indicates that the model's variables are jointly significant (p 0.05).

Table 4.2: Regression Result

| **Variables** | **Coefficients** | **T-Statistics** | **Prob. Value** |
|---|---|---|---|
| **ATMM** | 33.040 | 5.49580 | 0.04000 |
| **NEFTT** | 5.510 | 1.55130 | 0.26100 |
| **NIPP** | 3.420 | 4.62640 | 0.04170 |
| **MBNN** | 41.250 | 4.59660 | 0.04840 |
| **POSS** | -42.330 | 2.89420 | 0.10150 |
| **CHQQ** | 1.140 | 5.19400 | 0.04050 |
| **WEB** | -114.90 | 2.06770 | 0.17460 |
| **C** | 61.58 | 1.283 | 0.3281 |

| | | |
|---|---|---|
| **Dependent Variable PROFIT** | | Sample: 2011 - 2022 (13 Obs) |
| **R-squared .99480** | | Adjusted R-squared 0.976986 |
| **F-statistic 55.5818**<br><br>***indicates significance at 5% significance level** | | Prob(F-statistic) 0.017785 |

Source: Using E-views 9.0 Software (2024)

The influence of POS transactions on consumers' deposits is represented in Table 4.3 below, from a regression analysis. POS has a favorable effect on consumer deposits, as indicated by the coefficient of 9.077 for the independent variable. The coefficient's probability value (0.0015) indicates that the variable is statistically significant (p 0.05).

Table 4.3: Impact of POS on Deposits of Banks

| **Variables** | **Coefficients** | **T-Statistics** | **Prob. Value** |
|---|---|---|---|
| POSS | 9.0770 | 4.706210 | .00150 |
| C | 787150.980 | 12.83880 | .00000 |
| Dependent Variable DEPOSITT | | | Sample: 2013 - 2022 (13 Obs) |
| R-squared .73460 | | | Adjusted R-squared .701470 |
| F-statistic 22.1480<br><br>*indicates significance at 5% significance level | | | Prob(F-statistic) .00150 |

Source: E-views 9.0 Software (2024)

First, we test the null hypothesis (H0) that the number of ATM withdrawals has no significant impact on the bottom lines of Nigeria's deposit money banks. The amount of ATM transactions has a significant impact on the revenues of Nigerian deposit money banks (H1).

The probability value for ATM transactions (0.0400) is less than the 5% significance threshold based on the findings of the regression analysis. We thus find that the amount of ATM transactions significantly affects the earnings of Deposit Money Banks in Nigeria, and hence reject the null hypothesis.

Null Hypothesis 2: The amount of NEFT transactions has no appreciable effect on bank earnings in Nigeria. The amount of NEFT transactions has no appreciable effect on bank earnings in Nigeria (H1), the alternative hypothesis.

The p-value of 0.2610 for the NEFT variable in the regression analysis is higher than the 5% threshold for statistical significance. Therefore, we conclude that the amount of NEFT transactions has no substantial impact on the earnings of Banks in Nigeria and accept the null hypothesis.

Third Hypothesis: Null Hypothesis (H0): Deposit money banks in Nigeria's profitability are not significantly affected by electronic banking transactions. Deposit money institutions in Nigeria should expect a large decline in earnings as a result of electronic banking transactions (H1).

In the regression model, the probability value (0.0484) for the variable MBN representing electronic banking is less than the 5% significance threshold. We thus argue that deposit money banks in Nigeria can benefit substantially from using electronic banking transactions and reject the null hypothesis.

Fourth Hypothesis: The volume of POS transactions has no bearing on the amount of money customer's deposit. The volume of POS transactions has a considerable impact on the amount of money customers deposit in their accounts (H1).

Table 4.3 displays the results of a regression study, which shows that the probability value linked to POS transactions (0.0015) is not statistically significant at the 5% level. This means that the number of POS transactions has a considerable impact on the amount of money customer's deposit. This is in argreement with the study of Akhalumeh and Ohiokha (2012).

**Summary of Findings**

The study found that:

1. Banks' bottom lines benefited from a rise in the number of transactions conducted via automated teller machines, network intermediary payments, mobile money, and checks.
2. Banks' bottom lines take a hit when the number of point-of-sale and online transactions is high.
3. ATM transactions, NIP platforms, mobile money platform, and cheque transactions are the primary variables that significantly affect commercial banks' bottom lines.
4. Regression study also revealed a favorable and statistically significant relationship between the amount of POS transactions and client deposits at commercial banks.

## 5. Conclusion and Recommendations

### 5.1 Conclusion

The study's results suggest that the amount of ATM and Ebanking transactions significantly affects the revenues of Nigerian deposit money banks, and that the volume of POS transactions significantly affects customers' deposits.

### 5.2 Recommendations

Based on the results of the study, the following recommendations were made:

1. In order to improve and advance the Nigerian banking system, banks should send their technical staff to schools both inside and outside of the country for training in the most cutting-edge banking technology available.
2. High levels of customer happiness and patronage are a direct result of a bank's management focusing on efforts that improve ATM services and boost the ROA value of the bank.
3. However, if banks worked together with the Central Bank and Financial Settlement companies like Interswitch, Union Pay, and MasterCard to ensure prompt reconciliation and increase the turnaround time in resolving disputes, they might be able to reassure their customers and encourage them to use cashless platforms more often.
4. The central bank and other financial institutions need to do more to warn the general people about the perils of keeping significant sums of cash at home or in personal possession.

This study is limited to the sample of Deposit Money Banks in Nigeria. The finding of this study can only be generalized to Deposit Money Banks similar to those that were included in research. Future research should investigate generalization of the findings beyond the Nigerian Deposit Money Banks. Further research may extend to the improvement of cashless policy to economic growth.

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