E-BANKING AND PERFORMANCE OF SELECTED NIGERIAN BANKS

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BY

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A THESIS SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA) IN BANKING AND FINANCE IN THE DEPARTMENT OF BUSINESS MANAGEMENT, COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES, COVENANT UNIVERSITY, OTA, OGUN STATE, NIGERIA

APRIL, 2024

ACCEPTANCE

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA) in Banking and Finance in the Department of Business Management, College of Management and Social Sciences, Covenant University, Ota.

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DECLARATION

I, OGUNGBE, OLUDAYO OLUSOLA, (21PMB02407) hereby declare that this research is an original work carried out by me under the supervision of Dr Tolulope Adesina in the Department of Banking and Finance, College of Management and Social Sciences, Covenant University, Ota. I attest that the dissertation has not been presented wholly or partially for the award of any degree elsewhere. All sources of data and scholarly information used are duly acknowledged.

OGUNGBE, OLUDAYO OLUSOLA

Signature and Date

CERTIFICATION

We certify that this dissertation titled "is an original work carried out by **OGUNGBE**, **OLUDAYO OLUSOLA (21PMB02407)** in the Department of Business Management, College of Management and Social Sciences, Covenant University, Ota, Ogun State, Nigeria, under the supervision of Dr. Tolulope Adesina. We have examined and found this research work acceptable as part of the requirements for the award of Master of Business Administration (MBA) Degree in Finance.

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DEDICATION

This research work is dedicated to God, who has been my strength and my guide throughout my academic journey. I am grateful for His wisdom, grace, and love that have sustained me throughout this programme

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LIST OF ABBREVIATIONS

ROA	Return on assets
ATMV	Automated Teller Machine Volume
WBTV	Web based transactions Volume
IBTV	Interbank transfer Volume
MMUV	Mobile Money Usages Volume
$\beta_0, \beta_1, \beta_2$	Parameters to be estimated
μ	Stochastic error terms

ABSTRACT

This research investigates the relationship between E-banking technologies and the financial performance of deposit money banks in Nigeria from 2000 to 2022. The study's objectives include examining the impact of technological tool applications on bank performance, exploring the causal relationships among E-banking tools and bank performance, and assessing the short-term and long-term dynamics between E-banking and bank financial outcomes. An ex post-facto research design was employed, utilizing time series data and econometric techniques analyzed with E-views software. The findings demonstrate a complex relationship between E-banking tools and bank financial performance. Automated teller machines (ATMs) had a negative short-term impact but a positive long-term effect, suggesting that strategic investments in ATM technology are crucial for sustainable growth. Interbank transfers similarly exhibited a short-term adverse impact but a positive long-term contribution to bank performance. Mobile money volume negatively influenced bank performance in the short term but showed a positive impact in the long term, underscoring the transformative potential of mobile banking services. In contrast, web-based transactions showed a positive short-term impact but a negative long-term effect, indicating the nuanced dynamics of online banking on financial outcomes. The study found no clear causal relationship between ATMs and interbank transfers with deposit money bank performance, suggesting that other factors might be more significant in shaping bank financial outcomes. However, a unidirectional causal relationship was observed from mobile money usage to deposit money bank performance, highlighting the significant role of mobile banking in influencing financial outcomes. These results align with previous research, indicating that E-banking technologies offer both challenges and benefits to bank performance. The findings contribute to the broader literature on E-banking by providing insights into the Nigerian banking context, emphasizing the importance of strategic investments in E-banking technologies, and highlighting the pivotal role of mobile banking services in driving positive financial outcomes.

Keywords: E-banking, Bank Financial Performance, Automated Teller Machines, Interbank Transfers, Mobile Money, Web-based Transactions, Nigeria, Time Series Analysis, Econometric Techniques, Strategic Investments.