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Digital Technology and Financial Performance of Deposit Money Bank in Nigeria

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ABSTRACT: This study examined digital technology and financial performance of deposit money bank in Nigeria. Specifically, the study investigate the effect of biometric, cloud computing, mobile banking and internet transfer on the performance of deposit money bank in Nigeria. Ex-post facto research design was used in the study, the study selected 10 deposit money banks in Nigeria as a sample size, the study used panel least square as a method of data analysis. Data used for the study were obtained from the financial report of the selected manufacturing firms in Nigeria for 10 years; the variables used are cloud computing, mobile banking, biometric and internet banking. The study finds out that biometric has significant effect on financial performance of commercial banks in Nigeria (t=3.583072=0.009). Cloud computing has no significant effect on financial performance of commercial banks in Nigeria (t=0.569002, p=0.5721). Mobile banking has significant effect on financial performance of commercial banks in Nigeria. (t=3.378671, p=0.0006). Lastly, Internet banking has significant effect on financial performance of commercial banks in Nigeria (t=2.896441, 0.0059). The study recommends that Biometrics should be encourage because the systems simplify and streamline transactions, reducing errors and improving efficiency in the banking business. Again, CBN should as a matter of urgency compel all the commercial bank in Nigeria to fix their Cloud competing and load it with cash for customers to have seamless and round-the-clock access. Thirdly, commercial banks should upscale their investments in digital technology infrastructure to enhance internal capacity to provide uninterrupted services, as well as develop capacity resolve customer complaints real-time.

Keywords: Digital technology, cloud computing, mobile banking, biometric and internet banking.

INTRODUCTION

In the modern era of globalization and rapid technological advancement, digital technology has emerged as a transformative force that continues to reshape the operations, structure, and overall performance of financial institutions worldwide (Nwangwu, Ohanyere, Nwangwu, & Atueyi, 2025).. Deposit money banks, which constitute a vital segment of the financial system, play a crucial role in mobilizing deposits, granting credit facilities, and facilitating economic growth through efficient financial intermediation (Ibekwe,

Ibekwe & Morah, 2023; Nduka, Atueyi, Osakwe & Mbanefo, 2021). The increasing deployment of digital innovations in banking operations has introduced new dimensions to how deposit money banks deliver services, interact with customers, and achieve profitability. Traditionally, banking activities were largely manual, paper-based, and branch-dependent, but the advent of digital technologies such as internet banking, mobile applications, automated teller machines (ATMs), point of sale (POS) terminals, electronic fund transfers, and artificial intelligence–driven platforms has fundamentally altered the banking landscape (Ibekwe, 2021; Ogunewe, Ananwude, & Nduka, 2020).

The growing adoption of digital banking solutions is primarily driven by customers' demand for convenience, speed, and security, as well as by the need for banks to remain competitive in a rapidly evolving financial environment (Ifechukwu-Jacobs, Arinze, & Nwangwu, & Atueyi, 2025). With the rise of fintech companies and other non-bank financial service providers, deposit money banks are compelled to leverage technology as a strategic tool for survival and performance improvement (Nnebe, Okoye, & Igbodika, 2025; Nduka, Ananwude & Osakwe, 2019). Digital technology has enabled banks to reduce operational costs, minimize human errors, improve transaction speed, and expand their reach beyond physical branches. More importantly, it has also improved risk management systems and enhanced the quality of decision-making through data analytics. In turn, these developments have significant implications for the financial performance of banks, measured in terms of profitability, return on assets (Onya, Arinze & Atueyi, 2025; Monogbe, Omotayo, Achugbu & Nduka, 2016).

In the Nigerian context, deposit money banks have increasingly embraced digital transformation as a way of addressing structural inefficiencies and meeting the needs of a large, youthful, and tech-savvy population. Innovations such as mobile money, agency banking, online customer support, and digital loan processing have broadened access to financial services and improved customer satisfaction Nnebe, Okoye, & Igbodika, 2025; Aniefor, Nduka, Ananwude, & Ezeaku, 2021; Anusi & Nduka, 2022). However, while digital technology presents vast opportunities for improved financial performance, it also comes with challenges such as cybersecurity risks, high costs of technological investment, infrastructural deficits, and regulatory concerns. Thus, the relationship between digital technology and the financial performance of deposit money banks is multifaceted, requiring continuous exploration (Ohanyere, Arinze, & Atueyi 2025; Nduka, Okolie & Ngangah, 2025).

Against this backdrop, examining the impact of digital technology on the financial performance of deposit money banks is both timely and essential. It provides insights into how technology adoption can enhance operational efficiency, profitability, and competitiveness, while also highlighting the potential risks and limitations. Ultimately, the integration of digital technology into banking operations is not merely a tool for modernization but a critical determinant of long-term financial sustainability and growth in the banking industry.

Objective of the study

The main objective of this study is to investigate the effect of digital technology and financial performance of deposit money bank in Nigeria, while the specific objectives are to:

1. Investigate the effect of biometric on performance of deposit money bank in Nigeria.

2. Examine the effect of cloud computing on

the performance of deposit money bank in Nigeria
3. Evaluate the effect of mobile banking on the performance of deposit money bank in Nigeria
3. Evaluate the effect of web internet transfer on the performance of deposit money bank in Nigeria

LITERATURE REVIEW

Task Technology Fit N Theory (TTF)

The study is based on the Task technology fit theory that was developed by Dishaw and Strong, (1999). According to the theory ICT is more likely to n b e embraced by its users if it positively affects the users performance and if the capabilities of the technology are in line with the responsibilities or the tasks that the user is expected to complete. Good hue and Thompson (1995) pointe out a few factors that can be used to deduce if the technology fits the task at hand. The factors include system reliability, ease of training or use, quality, relationship with the users, compatibility and authorization and production timeliness. This theory comes in handy when analyzing of different contexts where information technology is being used including in the e-commerce systems and when e-commerce systems are used together with other techniques that lead to outcomes related to information systems. This model purports that for information technology to be successful it must fit in to the task at hand and success is pegged on the improved individual and group performance. There was a task-technology fit theory that was specifically developed for group support systems. This theory was developed and tested by Zigurs, Buckland, Connolly and Wilson, (1999) and came up with the requirements that needed to be met for developed systems to fit into group tasks.

The theory of task-technology fit has been especially successful when it comes to mobile based information systems. However, there are still unanswered questions regarding the use of this theory in mobile information systems. The theory looks at the significance of task technology. Additionally, the theory gives more explicit link between technology and the construct at hand which provides a better theoretical basis for coming up with issues that affect the use of technology and its performance. This model emphasis is that there needs to be a match between information technology and the business tasks if information technology use is to be a success (Junglas & Watson, 2016). The current model is useful to this research since it is important to consider the changes and requirements in the business tasks and the technology to be used, it is also important to deduce if the theory can be used in mobile technology contexts and if not if there are any adjustments that can be made to ensure it is used successfully in the said context. This theory looks at how electronic banking technology can be a contributor to Nigerian commercial banks improved performance and competitiveness (Ifechukwu-jacobs, & Atueyi, 2024).

Empirical Review

Atueyi, Nkechukwu, Nzotta, .& Jacobs, (2019) investigated the effect of electronic banking and performance of Small and Medium Scale Enterprises (SMSE) in Nigeria between the periods of 1981-2018. The data used were resourced from Central Bank of Nigeria (CBN) Statistical Bulletin 2018. The variables were the performance of small and medium scale enterprises as the dependent variable, while Automated Teller Machine,(ATM), Point of Sales (POS) and Mobility of Payment (MOP) as the independent variables. The study employed unit root test, to determine the stationarity of the variables, co-integration approach to determine the long run equilibrium

relationship of the variables and Error Correction Model (ECM) to determine the speed of adjustment. Ordinary Least Square (OLS) method of data analysis was adopted. From the model it was conclude that electronic banking has a positive significant effect on the performance of small and medium scale enterprises. The study found that point of sales has positive significant effect on the performance of Small and Medium Scale Enterprises (SMSE) in Nigeria, Automated Teller Machine (ATM) has positive significant effect on the performance of Small and Medium Scale Enterprises (SMSE) in Nigeria.

Nnebe Okoye, & Igbodika, (2025) examined the effect of FinTech on the performance of DMBs in Nigeria between the periods of 2016q-2023q. The variables were the return on asset as the dependent variable, while ATM, Mobile banking Web/Internet, and Point of Sale as the independent variables. The study employed unit root test, to determine the stationarity of the variables, ARDL co-integration approach to determine the long run equilibrium relationship of the variables and regression result. From the model it was conclude that financial technology has a positive significant effect on the performance of deposit money banks. The study found that Current and lagged values of number of transactions on ATMs, mobile phones, online banking, and point-of-sale systems were significant predictors of return on assets of DMBs in Nigeria.

Ibekwe, Ibekwe & Morah, (2023). Examined the effect of cashless banking on the performance of deposit money banks in Nigeria between the periods of 2013-2019. The data was source from central bank of Nigeria statistical bulletin 2019. The variables were on Point of Sales (POS),Mobility of payment (MOP), and Automated Teller Machine (ATM). Ordinary least square (OLS)method of analysis was used. Augmented dickey-fuller (ADF) test result was conducted to verify the unit root of the included variables. Error Correction Mechanism was adopted to correct for short run. The study found that, Point of sales has a positive effect and is statistically significant on bank performance in Nigeria. Mobility of payment has a positive effect and is statistically significant.

Nwangwu, Ohanyere, Nwangwu, & Atueyi (2025) examined the effect of artificial intelligent (AI) on decision-making in supply chain management of lubricant firms in Anambra state, Nigeria. The study was anchored on Technology Acceptance Theory (TAT). A structure questionnaire was developed for data collection. The population of the study comprised of 281 management staff from thirteen (13) lubricant firms in Anambra State. Two hundred and sixty-nine (269) were duly filled and returned data was analysed using correlation analysis with the aid of statistical package for social science (SPSS) version 23. Findings from the study show that. Machine learning has significant effect on decision support system on supply chain management of lubricant firms in Anambra state (T=2.244, P=0.006). Neural networks has significant effect on creative decision skill on supply chain management of lubricant firms in Anambra state (T=9.790, P=0.009). The study concludes that AI-powered predictive analytics improved decision-making in supply chain management in lubricant firms in Anambra state, Nigerian..

Ohanyere, Arinze & Atueyi (2025). investigated the digital cyberspace cost on firm performance of deposit money bank using data for the period of 2012-2023. Panel least squared (PLS) method of data analysis was adopted because of its Best Linear Unbiased Estimators (BLUE) properties. The data for the variables used was sourced from annual report of the selected deposit money bank in Nigeria. The variables were on cyber

security maintenance cost and cyber security acquisition cost. The study adopted the descriptive statistics, correlation approach, as well as panel least square. E- View software was used for the analysis. The study found that Cyber security maintenance cost has significant effect on performance of deposit money bank in Nigeria. (t-test 3.491757, p=0.0008). Cyber security acquisition cost has no significant effect on performance of deposit money bank in Nigeria. (t-test 0.959399, p=0.3405).

3. METHODOLOGY

The population of this study consists of the thirteen (13) commercial banks quoted on the Nigerian Exchange Group (NGX). The study covers twelve years annual reports and accounts of these banks from 2012 to 2023. This study selected all the ten (10) commercial banks in Nigeria for the study. The banks were chosen because of availability of data.

Table 3.1: List of Commercial Banks Used for the Study

1	Fidelity bank plc
2	FCMB plc
3	First bank plc
4	Access bank plc
5	United bank of Africa (UBA)
6	Sterling bank plc
7	GT Bank
8	ECO Bank
9	Zenith Bank
10	Union Bank

Model Specification

In line with objectives of this study, the effect of digitalized accounting system and firm performance of deposit money banks in Nigeria is represented in equation below. The function indicates that digitalized accounting system can have positive effect on performance of deposit money banks in Nigeria. This postulation was adapted from the models as used in previous studies such as in (Mbah & Obiezekwem (2019) who studied the Electronic Banking and Performance of deposit money banks in Nigeria.
The following are the model and also variables.

PDMB = f(TASMS, ATM, MB, POS) ------ (i)

representing Performance of deposit money bank, Transaction Alerts Via SMS, Automated Teller Machine, Mobile Banking and Point of Sale

Then the model is modified as

Model:
BP = F (BIM, CDC, MOB, WINT) ----------(ii)
Where:
BP = Bank Profitability
BIM = Biometric
CDC= Cloud competing
MOB= Mobile banking
WINT= Web Internet transfer
F = Functional Notation
The above equation can be put in an econometric form as;

$BP = \beta_0 + \beta_1 BIM + \beta_2 CDC + \beta_3 MOB + \beta_4 WINT + \mu$ ---------- (iii)

Where

β_0 = Autonomous or intercept
β_1 = Coefficient of regression for BIM
β_2 = Coefficient of regression for CDC
β_3 = Coefficient of regression for MOB
β_3 = Coefficient of regression for WINT
μ = Stochastic variable or error term

The model can also be stated in a logged form as:

$$L\ BP=C + LB_I\ BIM + LB_2\ CDC + LB_3MOB + LB_4WINT + \mu \text{----------(iv)}$$

Method of Data Analysis

The study employed ordinary least square (OLS) method of estimation to establish the importance of the independent variables on the dependent variable. The (OLS) is the most efficient method because of the ''Best Linear Unbiased Estimator'' (BLUE) properties .the result is always satisfactory and simple to comprehend. The model equation will be estimated using a variety of analytical tools, including the unit root test and co-integration test.

4. RESULT AND DISCUSSION

4.1 Descriptive Statistics Analysis

Table below which displays the number of observations, mean, standard deviation, minimum and maximum values of the explained variable, and each of the explanatory variables, provides the descriptive statistics for all the variables in the model. The descriptive data of the chosen service sector that comprise our sample are displayed in the table below.

Table 4.1 Descriptive Statistics

	ROA	BIM	CDC	LMBB	LIB
Mean	0.102727	16.26176	17.57151	16.38742	8.493355
Median	0.030000	17.44278	19.43901	17.63820	9.406934
Maximum	0.610000	20.12964	30.43941	19.73981	11.55281
Minimum	0.010000	7.414573	10.21899	7.440734	3.001217
Std. Dev.	0.127638	3.172703	3.777851	3.610735	2.531564
Skewness	1.604184	-0.843594	-0.448847	-1.007445	-1.002340
Kurtosis	5.214986	2.387396	2.969313	2.509920	2.691636
Jarque-Bera	69.66568	14.76699	3.697816	19.70815	18.85506
Probability	0.000000	0.000621	0.157409	0.000053	0.000080
Sum	11.30000	1788.794	1932.866	1802.616	934.2691
Sum Sq. Dev.	1.775782	1097.199	1555.665	1421.077	698.5610
Observations	120	120	120	120	120

Source: Researcher's summary of descriptive result (2025) using E-view 10

The mean values for each variable, along with their maximum and lowest values, standard deviation, and Jarque-Bera values—which indicate the data's normality and nature—are displayed in the descriptive statistics result in table 4.1 above. The outcome sheds some light on the characteristics of the chosen listed commercial bank from Nigeria that were employed in the research. The objective of the descriptive statistics was to characterize the overall distributional characteristics of the data and to pinpoint any anomalous

observations or anomalous patterns of observations that would pose issues for the data's further analyses. The data generated for the study was thus described and summarized by an initial analysis of the data using basic descriptive methods. According to the study's goal, the descriptive statistics are provided in this part. This is the result of Nigerian digital technology and the bank performance of the commercial banks, as table 4.1 illustrates. The researcher aimed to determine the digital technology on financial performance and central tendency for the commercial banks. First, the dependent variable was the return on assets. 10% was the average return on assets. It was noted that the sampled banks' average positive point of sales over the review period was 16.26%. The companies' return on assets had a maximum value of 0.61% and a minimum value of 0.01% throughout the review period. The significant variance between the highest and lowest return on assets suggests that the chosen banks' financial technology vary widely from one another, and this implies that the firms are not homogenous across the period under examination. The return on asset's standard deviation was 0.12. The return on asset's skewness was 1.60, suggesting that the data were skewed to the right and that most values were therefore clustered to the left of the distribution. A kurtosis value of 5.21% indicates a distribution with a significantly higher degree of peakedness than a normal distribution (which has a kurtosis of 3). A kurtosis of 5.21% implies that the distribution has a longer and thinner tail than the normal distribution, which means there are more extreme outliers present.

Table 4.1. above presents the descriptive analysis of biometric (BIM), 16.26% was the minimal number for the biometric (BIM),. Additionally, it can be seen that the biometric (BIM), reached a level of 16.26%. The standard deviation was 3.17, indicating that the available resources or size of the ten listed bank in Nigeria were dispersed around the mean by around 3.17%. With a skewness of -0.84, the biometric (BIM), was negatively skewed, suggesting that the majority of its values were clustered to the left. A kurtosis value of 2.38% indicates a distribution with a somewhat lower degree of peakedness than a normal distribution (which has a kurtosis of 3). A kurtosis of 2.38% implies that your distribution has a shorter and flatter tail than the normal distribution, meaning that there are fewer extreme outliers present. This type of distribution can be thought of as having a more symmetrical, bell-shaped curve than a normal distribution.

Cloud computing (CDC) have about 17.57 % of their average value. The mean of Cloud computing (CDC) was 17.57 % suggesting that the average number of Cloud computing (CDC) for the 10 listed bank studied was about 17%, implying that the Cloud computing (CDC) were exactly quarter of the profit. The standard deviation of 3.77% suggests that there is high return on Cloud computing (CDC) amongst the member selected banks, with a minimum and maximum value of about 10.21% and 30.43% respectively.

In a similar vein, mobile banking, 16.38% was the average mobile banking. It was noted that the tested enterprises had an average positive mobile banking of 16.38% during the review period. The bank has a minimum mobile banking income value of 7.44 and a maximum dividend per share value of 19.73 for the evaluation period. The substantial variation between the maximum and minimum mobile banking suggests that the bank vary significantly among the chosen firms and during the reviewed period, demonstrating the heterogeneity of the enterprises. The standard deviation for mobile banking was 3.61 The skewness for mobile banking was -1.00 implying that the data on mobile banking were skewed to the right

hence most values were bunched to the right of the distribution. A kurtosis value of 2.50% is very close to the kurtosis of a normal distribution, which is 3. This indicates a distribution with a similar degree of peakedness, meaning that the distribution of our data is not significantly different from a normal distribution.

In practical terms, this means that our data is likely to be relatively balanced and stable, with a similar degree of variability as a normal distribution. This can be helpful in analyzing and making decisions based on the data, as it suggests that the results will be more predictable and less prone to unexpected outliers or extreme events.

In addition, the JB Probability values of 0.0000 demonstrate that, with the exception of the financial technology, which is not normally distributed, all the variables are normally distributed at the 1% level of significance. This suggests that the variables are distributed according to the Gaussian standard distribution. This suggests that the distribution of all the variables is roughly normal. This indicates that there are no outlier-containing variables, or if there are, they are not expected to affect the outcome and can thus be trusted when making generalizations. This further supports the application of panel least squares estimation methods. Therefore, recommendations that are provided in a significant way will reflect the traits of the actual research population.

4. 2: Test of Hypotheses/ Regression Results

Since the data had both time series (2012–2023) and longitudinal properties (Ten Commercial Bank), we used a panel least square regression analysis to investigate the relationship between the dependent variable (ROA) and the independent variables (BIM, CDC, LMB, LIB) and to test our hypothesis. Our analysis is shown in the following table 4.3.1:

Panel Least Regression Result

Dependent Variable: ROA
Method: Panel Least Squares
Date: 08/16/25 Time: 05:40
Sample: 2012 2023
Periods included: 12
Cross-sections included: 10
Total panel (balanced) observations: 120

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.502159	0.019774	0.109194	0.9135
BIM	0.160554	0.000950	3.583072	0.0009
CDC	0.290588	0.001033	0.569002	0.5721
LMBB	0.560348	0.000919	3.378671	0.0006
LIB	0.491620	0.001807	2.896441	0.0059

Effects Specification

Cross-section fixed (dummy variables)
Period fixed (dummy variables)

R-squared	0.616141	Mean dependent var	0.022273
Adjusted R-squared	0.557591	S.D. dependent var	0.014336
S.E. of regression	0.010558	Akaike info criterion	6.018756
Sum squared resid	0.005128	Schwarz criterion	5.355224
Log likelihood	218.6189	Hannan-Quinn criter.	5.756563

F-statistic	9.886092	Durbin-Watson stat	2.117084
Prob(F-statistic)	0.000085		

Source: Researcher's summary of regression result (2025).

The panel regression study of ten quoted commercial bank is displayed in table above. The aforementioned table indicates that the model was well-specified in explaining financial technology as seen by the F-statistics value of 9.886092 and their P-value of 0.000085, which indicate that the total analysis of our variables in the regression model was generally significant at the 1% level of significance. Based on the aforementioned findings, the study found that the R-squared adjusted value was 0.616141 (61%) and the R-squared value was 0.557591 (55%). The coefficient of determination, or R-squared, was found to be 61%. This indicates that 61% of the systematic fluctuations in the individual dependent variables could be described by the model, with the other 39% being explained by the stochastic error factor. This shows that over a twelve year period, the digital technology of our sampled banks in Nigeria can be explained by the independent variables together to the extent that they account for around 61% of the system variation. The stochastic error term captures the remaining 39% of the overall variations. Furthermore, the financial technology model that was employed for the analysis was statistically significant at the 1% level, as indicated by the F-statistics value of 9.886092 and its probability value of 0.00085. This attests to the suitability of our model for the analysis. The Durbin Watson statistics value of 2.1 showed that the model is well spread since the value is approximately 2 and that there have not been self or auto correlation problem and that error are independent of each other.

Hypotheses

Ho_1: Biometric has no significant effect on financial performance of commercial banks in Nigeria.

Table 5 above's panel regression result revealed that the Biometric had a positive coefficient value of 0.160554 and a P-value of 0.0009. Based on the model's outcome, the Point of sales of Nigeria's quoted commercial bank showed a statistically significant and positive correlation with the financial performance, which indicated the number of performance ratios. This implies that the Biometric has a positive correlation with performance of commercial bank, as indicated by the positive coefficient and likelihood, but that this correlation is statistically negligible and sufficient to influence the performance of Nigerian bank. This suggests that a 1% increase in the point of sales causes a 5% increase in performance, supporting the idea that raising the point of sales is crucial for performance in commercial bank. The Nigeria Exchange Group's increased level of inspection and monitoring is generally predicted to improve bank performance when the Biometric. We accepted our alternative hypothesis as a result of the strong link we found, and as a result, we can say that the Biometric has no significant effect on financial performance of commercial banks in Nigeria.

Ho_2: Cloud Computing has no significant effect on financial performance of commercial banks in Nigeria.

In Nigeria, the Cloud Computing of the listed commercial bank is positively and significantly impacted on the performance, as demonstrated by the study's 0.569002 positive coefficient value and 0.5721 p-value ($\beta 2$=-0.290588, $p = 0.5721 > \alpha = 0.05$). The positive coefficient value of $\beta 2$ indicates that the Cloud Computing of Nigeria's listed commercial bank is positively impacted on

performance. As a result, performance rises by 29% units for every 1% increase in bank performance. This indicates that, although being not statistically significant among Nigerian banks, performance has a favorable impact on the level of banks performance of businesses. The analysis's findings led the study to accept the second null hypothesis, which leads it to the conclusion that Cloud Computing has no significant effect on financial performance of commercial banks in Nigeria

Ho_3: Mobile banking has no significant effect on financial performance of commercial banks in Nigeria.

The analysis of the impact of Mobile banking expressed on financial performance revealed a 0.0006 P-value, a t-value of 3.378671, and a positive coefficient value of 0.560348. According to table 4.3.2 above, the Mobile banking of Nigeria's listed commercial bank has a positive and significant relationship with performance. A rise in Mobile banking may result in a 0.56% increase in the financial performance of Nigeria's listed commercial bank, according to the coefficient value of 0.560348. Mobile banking has a positive impact on the financial performance of commercial bank, as indicated by the t-value of 3.378671. At the 1% level of significance, the probability value of 0.0006 suggests that the impact of Mobile banking on the stock price of Nigeria's listed banks is statistically significant. This study accepts the third alternative hypothesis and comes to the conclusion that Mobile banking has significant effect on financial performance of commercial banks in Nigeria.

Ho_4: Internet banking has no significant effect on financial performance of commercial banks in Nigeria.

From the regression Table 5 above, the result of Internet banking shows that financial performance has a positive coefficient value of 0.491620 and P-value of 0.0059. The result of the analysis from the model indicates that Internet banking has positive but significant influence on financial performance of listed commercial bank in Nigeria. This implies that a 1% increase in the proportion of Internet banking will lead to a magnificent increase in the bank performance. The probability value showed that the effect is statistical significant. As a result of this significant effect we documented, we accepted our fourth hypothesis and therefore conclude that Internet banking has significant effect on financial performance of commercial banks in Nigeria.

5. CONCLUSION

The study examined the effect of Digital technology on financial performance of commercial banks in Nigeria. It was observed that the integration of digital technology in the operations of deposit money banks in Nigeria has significantly enhanced their performance, efficiency, and service delivery. Through innovations such as mobile banking, internet banking, biometric and cloud competing, banks have improved customer experience, expanded financial inclusion, and optimized internal processes. These technologies have not only reduced operational costs but also increased transaction speed, accuracy, and transparency. However, the full potential of digital banking in Nigeria is still hindered by challenges such as cybersecurity risks, digital illiteracy, infrastructural limitations, and regulatory issues. To sustain and further improve performance, Nigerian banks must invest in robust IT infrastructure, enhance digital literacy among customers, and strengthen data security frameworks. Furthermore, regulatory bodies need to foster a supportive environment that encourages innovation while safeguarding the financial ecosystem. In conclusion, digital technology is a critical

driver of competitiveness and growth in Nigeria's banking sector, and its strategic adoption is essential for the continued evolution and resilience of deposit money banks in the digital era.

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