IMPACT OF ELECTRONIC PAYMENT ON THE FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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ABSTRACT

The study examined the Impact of Electronic Payment on the Financial Performance of Deposit Money Banks in Nigeria between the periods of 2011 to 2017. The study also examined the trend of Electronic Payment of listed Deposit Money Banks in Nigeria. The study randomly selected ten Deposit Money Banks listed on the Nigeria Stock Exchange and obtained data from the Annual reports of these Banks from 2011 to 2017. Data was also sourced from the Central Bank of Nigeria for this study. The data extracted were analyzed using Ordinary Least Square method. Dependent variable Bank profitability was measured by profit after tax of the banks and independent variables were ATM, POS, ONL, MOB and MPS. The analytical method adopted for statistical analysis of the variables was the descriptive statistics. Under descriptive statistics, variables were subjected to frequency and percentages. The level of significance showing the coefficient of the value of ATM usage (0.003519) positively and statistically significant at $p < 0.05$ (0.0845). This implies a positive and significant relationship between the value of ATM usage and Bank financial performance. Furthermore, the coefficient (0.114899) of the value of MOB usage is positively signed and statically significant at $p < 0.05$ (0.0107). This means that there is positive and significant relationship between the value of ATM and MOB usage and Bank Financial Performance and the study indicates significance at 5% and 10% respectively. Based on these findings the study recommends that Deposit Money Banks should embark on aggressive re-orientation of customers to create more awareness for the customers to patronize electronic payment facilities especially in areas of ATM and MOB usage since the study reveals that they both have positive impact on Banks profitability.

Keyword: *Deposit Money Banks, Mobil Banking, Profitability, Financial Performance, Electronic Payment*

INTRODUCTION

Modern day Deposit Money Banks are known to divert from old fashion simple manual system to a more improved, computer-based information system (Udell, 2016). The use of computer-based information system involves the use of computer hardware and software, telecommunication systems, computer-based data management techniques and other means of information technology to convert data into different types information (Berger, 2013). The engagement of modern information and technological systems that aid managerial work to aid decision-making among Deposit Money Banks cannot be disregarded. This is based on the fact that Banking activities depend immensely on management information systems. Most Deposit Money Banks in the past operated manual system of information processing and storage; which have their problems of inaccuracy, poor storage facilities, cost and time restraints, and resulted negatively on the delivery of services both to consumers of Banking services, as well as the decision making of the Deposit Money Banks. Hence, the old system of information made Banking operations in Nigeria inconsistent with respect to the dynamic global trend of Banking (Soludo, (2015).

One of the present-day measures used for grading Banking business enterprise is technology (Chan, 2016). This simply specifies how relevant technology has become in banking enterprise setups. James (2014) notes that Deposit Money Banks adopt Electronic payment to augment the efficiency and capability to services rendered to customers and to improve their business operations. According to Conel (2016), technological elements create a highly competitive business environment, wherein customers are the focus. These elements assist in enhancing Deposit Money Banks' competitive positions in fast emerging economies. More so, these elements can speedily alter; sometimes uncertainly. Therefore, the objectives of any enterprise aimed at profit maximization, retention of loyal customers, reducing costs, and increasing market share, can be significantly enhanced by Electronic payment engagement. In addition, owing to the rate of change and the degree of unsureness in today's competitive environment, businesses operate under immense to use fewer resources and produce more, for them to succeed (or even survive) in this dynamic world. As such, businesses must not only take traditional actions such as cutting-down costs, but must also assume innovative measures such as changing structure or processes and continuously revising competitive strategies (Gronroos, 2014).

The introduction of Electronic Payment has changed traditional system of doing business; and has replaced it with sophisticated technology, which is based on automation and interconnection of computers and other Electronic devices. For instance, ledger books, paper invoice, and business trips are now replaced with online billing and payments, elaborate website with product information and real-time teleconferencing across continents and time zones (Ojokuku, 2015). Woherem, (2015), claims that Deposit Money Banks that overhaul the whole of their payment and delivery systems and apply Electronic payment to their operations are likely to survive and prosper in the new millennium. Hence, Deposit Money Banks are advised to re-examine their service and delivery systems so as to position themselves within the framework of information and communication technology.

Wehn (2016) noted that the introduction of Electronic payment in the Banking sector in Nigeria has improved the usage of banking activities among citizens and residents. Today, customers of Deposit Money Banks experience efficient, fast and convenient Banking services (Wehn, 2016). As a result, most Deposit Money Banks in Nigeria are investing large sum of money in technology towards rendering quality and acceptable services to their customers so as to grow their Performance.

However, while the rapid development of information technology has made some Banking tasks more efficient and cheaper, technological investments constitute a larger share of bank's resources. Asides personnel costs, technology is usually the biggest item in the budget of a bank and among the fastest growing ones (Wehn, 2016). This position has been challenged by several empirical findings. Findings from Kariuki (2015) showed the positive Impacts of Electronic payment on their Banking Performance using Bank turnover and profits as measure of Performance. He established that Deposit Money Banks with high profit growth are more likely to be using greater numbers of advanced Electronic payment platforms. Although many researches have been carried out pertaining the subject matter, results obtained from these researches has revealed varying results. Results from Dabwor, Ezie and Anyatonwu (2017) found that positive relationship exists between Electronic payment and Deposit Money Banks Financial Performance in Nigeria using ROA as measure of Bank Performance. Contrary to this, studies carried out by Nwakoby, Sidi and Ofobruku (2018), and Asidok and Amaegberi (2018) found a negative relationship between Electronic

payment and Financial Performance of Deposit Money Banks in Nigeria, using ROE as measure of Bank's Financial Performance. Hence this study intends on addressing the conflict of results by employing the use of Profit after tax of Banks to measure Banks financial performance which is different from the ROE and ROA used by the studies noted earlier. This study also employs the use of market price per share which is not common among studies related to the subject matter with the aim of achieving a result the conflict identified above

The research questions for the study are stated as follows:
What is the Impact of Electronic Payment on Deposit Money Banks Performance in Nigeria?
The main objective of this study is to ascertain the Impact of Electronic payment on the Financial Performance of Deposit Money Banks in Nigeria. Specific objective include
To examine the Impact of Electronic Payment on the Financial Performance of Deposit Money Banks in Nigeria.

Research Hypotheses are as follows;
H_0: Electronic payment does not have significant Impact on bank Performance in Nigeria.
H_1:Electronic payment has significant Impact on Bank Performance in Nigeria

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK
Concept of Electronic Payment
Electronic payment refers to the automation of the Bank transaction process, computers, telecommunications, software and ancillary equipment such as Automated Teller Machine and Debit cards. It covers the harnessing of Electronic technology for the information needs of a business, at all levels. Electronic payment deals with physical devices and software that link various comput4er hardware components and transfer data from one physical location to another, for the purpose of making a bank transaction. According to Roger (2016), Electronic Banking is a synergy between computers and communication devices and forms an important part of the modern world. Hence, the most important shortcomings in the Banking industry today, is a wide spread failure on the part of bank management to comprehend the improvement of technology and incorporate in their strategic plans.

Senn (2017) defines Information Technology as the technology that characterizes a wide range of capabilities and components of various elements used in the storage, processing and distribution of information; in its role to create knowledge.

Poon (2018) indicates that privacy and security are the major sources of dissatisfaction, which have momentously influenced users' satisfaction. Meanwhile, accessibility, convenience, design and content are sources of satisfaction. Besides, the speed, product features availability, and reasonable service fees and charges, as well as the bank's operations management factor are critical to the success of the e-Deposit Money Banks.

Deposit Money Banks are increasingly using benchmarking technologies to identify operations needing improvement, by comparing their Performance with other Deposit Money Banks in the industry. Accounting-based ratios are a traditional tool to measure efficiency (De Young, 2017). An important class of benchmarking methods used in the Banking market is frontier efficiency analysis. DeYoung (2017) argues that frontier efficiency analysis is superior to accounting-based efficiency analysis because with frontier efficiency analysis there is no need to construct peer groups of Deposit Money Banks with similar characteristics. Rather, it uses linear programming and statistical techniques to remove the effects of differences in input prices and other exogenous market factors affecting standard Performance ratios (e.g. Return on Assets (ROA), Return on Equity (ROE)) so that a better estimate of the underlying Performance of managers may be obtained. Bauer (2018), point out that frontier efficiency analysis is more useful for regulatory, Financial institution managers and industry consultants to assess Deposit Money Banks' Performance.

Cummins and Weiss (2018), point out that frontier efficiency methods are useful in many situations. Firstly, frontier analysis provides guidance to regulators and policy makers regarding policies adopted, and the effect of adoption on bank Performance. Second, frontier analysis informs management about the effects of policies, procedures, strategies and technologies adopted by the firm in relation to efficiency (Performance). Third, they are important in testing some economic hypotheses in regard to both agency and transaction costs. (Bauer, 2018). The parametric approach consists of deterministic and stochastic frontiers.

According to Bankole (2015), the Banking industry faces numerous challenges to fully adopt and adapt E-Banking applications and seize the opportunities presented by Electronic payment applications in general. Key Challenges for E-Banking applications includes among others: Low level of internet penetration and poorly developed telecommunication infrastructure.

Prasad and Harker (2017) examined the contribution of technology to the productivity and profitability in U.S. retail banking by analyzing the Electronic Banking data for about 47 Deposit Money Banks between the years 1993-95, each of the analyzed Deposit Money Banks has assets exceeding $6 billion which make these Deposit Money Banks constitute the larger Deposit Money Banks. This analysis, which is carried out with two measures of productivity and two for profitability, indicated that increased investment in Electronic payment capital may have no real benefits and may be more of a strategic necessity to stay even with the competition. However, the results indicate that there are substantially high returns to increase in investment in technology labor, and that retail Deposit Money Banks need to shift their emphasis in IT investment from capital to labor.

Beccalli (2016) used a sample of 737 European Deposit Money Banks over the period 1993-2000 to investigate whether investment in Information influencing the Performance of Deposit Money Banks. The study relied on the measure of both standard accounting ratios and cost and alternative profit efficiency measures. The reaction of the stock price was more attractive in Richardson, and Kim (2016) study which looked at 339 IT investment announcements and found out the average share price of a stock increases 0.32 percent one day after the news of an IT investment goes public.

The third perspective suggests that IT investments do not lead to value creation for the firm that makes the investment; but the benefits are passed on to their customers in the form of consumer surplus. Sunil, Krishnan, and Fornell (2014), based on the analysis of longitudinal data on 50 U.S. firms for the period 1994-2000, indicated a positive association between IT investments and customer satisfaction. This positive association was more apparent when they studied specifically the effect of customer interfacing CRM systems on customer knowledge and customer satisfaction.

Theory of Planned Behaviour: The Theory planned behaviour is one of the most widely used models in explaining and predicting individual and predicting individual behavioural intention and acceptance of information technology. The theory of planned behaviour was proposed by IcekAjzen in 1985 through his article "From intentions to actions: A theory of planned behaviour. The theory was developed from the theory of reasoned action by Martin Fishbein together with IcekAjzenin 1980.The summation of Azjen's Theory of Planned Behaviour can be illustrated to explain Electronic Banking adoption among Deposit Money Banks. Premised on the theory, it is expected that the decision to engage Electronic payment among Deposit Money Banks is influenced by the bank's personal attitude towards Electronic Banking, societal norms otherwise known as subjective norm, and perceived norm (which is the bank's affordability of Electronic Banking). Thus, where societal norms override personal attitude of a bank towards adopting an Electronic payment programme, the bank will consider whether it can afford the technology.

Empirical Review

A review of prior studies has shown that researchers have come out with different views on the Impact of Electronic Banking on bank's Performance. Abaenewe, Ogbulu and Ndugba (2013) in their research examined the profitability of Nigerian Deposit Money Banks following the adoption of Electronic Banking system. Judgmental sampling method was adopted by utilizing data collected from four (4) Nigerian Deposit Money Banks and they used secondary data extracted from Nigerian Stock Exchange fact books and annual reports of the four sampled Deposit Money Banks. The data collected covers the period 1997-2010. Their study covered the period of 1997-2002 for pre- adoption and 2003-2010 for post adoption period of Electronic Banking in Nigerian and standard statistical techniques was used to test their hypotheses. Their study concluded that Electronic payment improved return on equity of Nigerian Deposit Money Banks significantly but yet to positively improve the return on assets and also that it helps to study customers' appetite for improved service delivery and convenience. However, because one of the profitability indicators (ROA) examine in this study is yet to be improved, this study cannot conclude that Electronic Banking has improved Bank Performance in Nigeria.

Ogunlowore and Oladele (2014), in their research, analyzed the effect of Electronic payment on customer satisfaction in Nigerian Deposit Money Banks using GTB Bank Nigerian PLC as a case study. Data were collected using questionnaires and the data were analyzed using simple percentages which hypothesis was tested using chi-square. Their study indicated that Electronic payment has helped to increase customer satisfaction especially the corporate ones.

Ngango et al., (2015) in their study evaluated the effect of Electronic payment on Performance of Deposit Money Banks in Rwanda using Bank of Kigali as a case study. In their study, descriptive research design was used based on quantitative and qualitative approach. In order to get better analysis of the study, both primary and secondary data tools were used. Their study covers a period of 4 years (2010-2013). In their study, it was concluded that Electronic payment system has a great Impact on bank Performance because they increase profitability, improves bank management quality, increased bank assets and promote bank growth and expansion

METHODOLOGY
Theoretical Framework
The model of this study is based on the Technology Acceptance Model (TAM) developed by Davis, Bagozzi, and Warshaw (1989). The model is one of the most cited models that researchers used to study underlying factors that motivate users to accept and adopt a new information system (Al Shibly, 2011). Davis (1989) asserts that using an information system is directly determined by the behavioural intention to use it, which is in turn influenced by the users' attitudes toward using the system and the perceived usefulness of the system. The Technology Acceptance Model posits two theoretical concepts as fundamental determinants of user's acceptance of an information system – perceived usefulness (PU) and perceived ease of use (PEOU). Consequently, the model posits that user's acceptance of a new information system is determined by his intention to use the system which is determined by users' attitude. Users' attitude in turn is determined by the two behavioural beliefs; perceived usefulness and perceived ease of use (Davis, 1989).

Model Specification: In order to analyze the second research objective of this study that focuses on the Impact of Electronic Payment on Deposit Money Banks Financial Performance in Nigeria, this study adopted the

model of Mustapha (2018), which recognizes that cheque, Automated Teller Machine (ATM), Point of sale (POS), National Instant Payment (NIPS), national Electronic Fund Transfer (NEFT), Mobile pay, and Online transactions influence bank Performance.   This can be mathematically expressed as:

PER = f (CHE, ATM, POS, NIP, NEFT, MOB, ONL)   (1)

However, equation (1) will be modified by adopting MPS of the selected Deposit Money Banks, ATM, POS, online transactions, mobile pay are indicators of Electronic payment; while Deposit Money Banks profitability is engaged as measure of Deposit Money Banks Financial Performance. Also, market price per share indicator is included as control variable. Hence, the model for this study is presented in functional form as:

PRO = f (ATM, POS, ONL, MOB, MPS)   (2)

Putting the functional model into econometric form, we have:

$$PRO_{it} = \alpha_o + \alpha_1 ATM_{it} + \alpha_2 POS_{it} + \alpha_3 ONL_{it} + \alpha_4 MOB_{it} + \alpha_5 MPS_{it} + E_{it} \quad (3)$$

Where   PRO = Profitability (measure of bank Performance)
                  ATM= Value of transactions via Automated Teller Machine
                  POS= Value of transactions via Point of Sale
                  ONL = Value of transactions via Online or web transactions
                  MOB = Value of transactions via Mobile Banking
                  MPS = Market price per share
                  α_o is the constant,
                      $\alpha_1 - \alpha_5$ are the parameter estimates
E_t = Random or stochastic error term in time "t"
         i = measure of cross-sectional dimension
t = time dimension
           A-priori Expectation

It is expected that the four measures of Electronic Payment (ATM, POS, ONL, MOB) and market price per share will all have positive Impacts on Deposit Money Banks Financial Performance proxied by PRO. This can be stated mathematically as: $\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5 > 0$.

In order to analyze the Impact of the four Electronic Payment variables on Deposit Money Banks' Financial Performance, the traditional panel approach was used and diagnostic estimators were reported to support the acceptance of the parameter estimates. For this purpose, the Ordinary Least Squares (OLS) panel estimation was used to obtain parameter estimates which are best, linear and unbiased. This technique is used when the data for analysis is panel (cross sectional and longitudinal characteristics), and there is need to obtain BLU (best, linear, and unbiased) estimates

Data for Electronic Payment usage was sourced from CBN Statistical Bulletin while data for Bank profitability and market price per share were sourced from fifteen Deposit Money Banks in Nigeria.

Data Presentation and Analysis
This section analyses the model of the study using time series data. The study analysis consists of; the descriptive statistics, trend analysis and panel regression. These methods are presented and discussed in details.

Descriptive Analysis

Table 4.1: Summary Statistics of Data Series

Statistics	PRO	ATM	POS	ONL	MOB	MPS
Mean	28.51509	2411.700	220.4041	54.76552	206.6896	8.012571
Median	14.45000	1984.660	187.7500	47.32000	189.2200	4.630000
Maximum	170.4696	3970.252	448.5125	91.58129	442.3538	41.50000
Minimum	-82.55100	1247.030	31.02000	31.56736	18.98000	0.500000
Std. Dev.	40.25348	1013.115	146.0666	20.41004	147.1463	8.495286
Skewness	1.004518	0.433419	0.129627	0.570296	0.176896	1.641717
Kurtosis	4.788788	1.565617	1.684298	2.093441	1.766937	5.957943
Jarque-Bera	31.65746	12.28877	7.867400	9.286347	7.199652	85.71528
Probability	0.000000	0.002145	0.019571	0.009627	0.027328	0.000000
Sum	2994.084	253228.5	23142.45	5750.400	21702.45	840.9900
Sum Sq. Dev.	168515.6	1.07E+08	2218849.	43317.06	2251787.	7502.304
Observations	105	105	105	105	105	105

Source: Author's Computation (2019)

After the analysis for this study was carried out, table 4.1 reveals the summary statistics of the data series for this study. These statistics explains the measures of central tendency such as mean, maximum, and minimum; which are used to describe data with respect to its central values. More so, statistics such as standard deviation, skewness, and

kurtosis were included in the table; which are used to explain dispersion of data. Standard deviation measures dispersion of data series around its central values. Skewness measures the dispersion of data series from symmetry; which can be used to understand whether a statistical analysis can make use of parametric analysis. While a symmetric data is not usually possible, it is important to have minimal skewness if parametric analysis can be employed for data analysis. Kurtosis gives information about the degree of peakedness of distribution, provides varying information about the sample series, for a series that is normally distributed, the coefficient of kurtosis is expected to be 3.0. When the coefficient of kurtosis is greater than 3.0, the series distribution is leptokurtic (that flat-topped distribution) but when it is less than 3.0, the series distribution is platykurtic (that is, relatively flat-topped distribution), while kurtosis with the coefficient of 3.0 is mesokurtic (that is, not very peaked or very flat-topped)

From the results obtained, it is observed that during the periods of 2011-2017, Deposit Money Banks in Nigeria recorded an average profit of ₦28.51 billion, they had a maximum profit of ₦170.46 billion, and recorded a minimum profit of -₦82.55. Corresponding standard deviation value (40.25) is large, and suggests that the Performance of Deposit Money Banks in Nigeria during those years were not fair enough. Kurtosis value (4.78) is higher than 3.0 which means the series distribution is leptokurtic (that is, relatively high peak distribution).

Table 4.1 also shows Electronic Banking usage in Nigeria between 2011 and 2017. Value of ATM usage within those years were reported at an average value of ₦2.41 trillion, They also recorded a maximum value usage of ₦3.97 trillion, and minimum value usage of ₦1.24 trillion. These values are however close to each other. Standard deviation value suggests that the mean value is relatively minimum. This is supported by the corresponding Kurtosis value (1.5656), which is lower than 3.0. This indicates absence of a relatively high distribution; hence, there was regular usage of ATM in Nigeria between 2011 and 2017.

It is also observed from table 4.1 that the average POS usage in Nigeria between 2011 and 2017 shows a value of ₦220.4 billion, which is lower than ATM usage value. POS usage in the country during these years recorded a maximum value of ₦448.5 billion and minimum value of

₦31.02 billion. Standard deviation reveals that the mean value is minimal, which suggests regular usage of POS in the country. Kurtosis statistic (1.684) is lower than 3.0 to suggest regular usage of POS in the country.

Online transactions in Nigeria revealed an average value of ₦54.76 billion between 2011 and 2017, while its minimum and maximum usage values were ₦31.56 billion and ₦91.58 billion respectively. Standard deviation value obtained is minimal, and thus suggests that there was regular patronage of POS in Nigeria within those years. Its Kurtosis value (2.0934) reckons that online transactions have been regularly used and without a relatively high peak distribution.

It is observed from results in table 4.1 that Mobile Banking has an average value of ₦206 billion; it recorded its maximum usage value of ₦442.35 billion, and its minimum usage value of ₦18.98 billion, which are higher than online transaction usage value. Standard deviation for Mobile Banking data is minimal, and suggests that high use of Mobile Banking in Nigeria has been regular. Its Kurtosis value of (1.7669) is lower than 3.0, and thus indicates that there has been a relatively flat-topped distribution of Mobile Banking in Nigeria during these years. From the above, it is understood that online transaction value within those years is the lowest among the four measures of Electronic Payment in Nigeria. The data series for the study are found to be non-symmetric as revealed from the skewness values obtained. However, none of the values exceed 2.0, which suggest that the data series can be analyzed using parametric statistics.

4.2   Presentation and Interpretation of Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Intercept	17.67879	5.324498	3.320273	0.0013*
ATM	0.003519	0.002016	1.745390	0.0845**
POS	-0.062406	0.039235	-1.590569	0.1154
ONL	-0.483302	0.089016	-5.429398	0.0000*
MOB	0.114899	0.044009	2.610802	0.0107*
MPS	2.349245	0.536113	4.381995	0.0000*
	Effects Specification			
Cross-section fixed (dummy variables)				
	Weighted Statistics			
R-squared	0.834887	Mean dependent var		32.75844
Adjusted R-squared	0.797979	S.D. dependent var		39.88574
S.E. of regression	19.88956	Sum squared resid		33625.55
F-statistic	22.62093	Durbin-Watson stat		1.512902
Prob(F-statistic)	0.000000			

Source: Author's Computation (2019)
Note: (*) (**) indicate significance at 5% and 10% levels respectively

Interpretation and Analysis of Regression Results

The panel regression results reveals that value of ATM usage (0.0035) had positive Impact on profitability of Deposit Money Banks in Nigeria, which was statistically significant at 10% level. This indicates that increase in value of ATM usage by ₦1 increases bank's profitability by ₦0.0035 (0.35 kobo). This is consistent with Abubakar, Gatawa and Kebbi (2013), whose results found that ATM usage in Nigeria had positive Impact on the Financial Performance of Deposit Money Banks in Nigeria.

Also, Mobile Banking at (0.1148) showed that it had positive Impact on Bank's profitability in Nigeria, and was statistically significant at 5% level. This shows that when usage of Mobile Banking value increases by ₦1, profitability of Deposit Money Banks increases by ₦0.1148 (11 kobo). Findings from Asidok and Amaegberi (2018) agree that Mobile Banking has positive Impacts on Bank's Financial Performance in Nigeria. Hence, Deposit Money Banks in Nigeria have profited from Mobile Banking transactions in the country. However, value of POS had a negative Impact of (-0.062) on Bank's profitability in Nigeria, but was not statistically significant. This implies that an increase in the value of POS usage by ₦1 can bring about ₦0.062 (6 kobo) decline in profitability of Deposit Money Banks in Nigeria. This result is supported by Asidok and Amaegberi (2018), who acknowledged that POS has negative Impacts on Bank's Financial Performance in Nigeria.

SUMMARY OF FINDINGS

The study conducted methodology for the purpose of analyzing the research objectives of the study. As such, a multiple regression model was formulated, which captured the impact of ATM, POS, online transactions, Mobile Banking, and market price per share on bank's Financial Performance (proxied using profitability). The study sourced data from CBN Statistical Bulletin and Annual Reports of Selected Deposit Money Banks for data on Profitability and Electronic payment. The analysis covers periods of 2011-2017. Fifteen Deposit Money Banks were chosen for the study, so as to ensure that 100period necessary for panel regression is fulfilled. The OLS panel regression technique was

adopted to analyze the Impact of Electronic Payment on Bank Financial Performance.

The results obtained from this study offers insights on the Impact of Electronic Payment on the Financial Performance of Deposit Money Banks in Nigeria and to the Performance of the Nigerian economy at large. It was observed that ATM, online transactions, and Mobile Banking has a positive Impact on profits of Deposit Money Banks in Nigeria. This result is consistent with Asidok and Amaegberi (2018), whose empirical results found that ATM and Mobile Banking positively impacts the Financial Performance of Deposit Money Banks in Nigeria. These Impacts have huge and positive implications on the Banking sector, such as it helps to improve the intermediary functions of Deposit Money Banks, facilitating trade and commerce in the country, and serving as a linkage to growth and development in the country. Thus, the positive Impact of Electronic Payment tools on Banks Financial Performance would not only contribute positively to Banks Financial Performance, but also to economic growth and development in Nigeria. For a country that is prone to oil glut shocks, Electronic payment can serve as a means of cushioning poor Performance of the economy during low oil receipts. This is because an effective and functioning Banking sector would help allocate capital from excess sector (both local and foreign) to where they are required for productive purposes. In situations where fiscal instruments in Nigeria cannot raise sufficient funds through tax and oil royalty, an effective and efficient Banking sector can prove important. Thus, from the contributions of Electronic payments, the Banking sector will flourish financially, leading to economic growth and development. As such, the multiplier effect Electronic payment has on economic Performance is huge and advantageous.

CONCLUSION

The study concludes that Electronic Payment is a significant determinant of Banks profitability in Nigeria. ATM and Mobile Banking are found to have positive Impacts on profits of Deposit Money Banks in Nigeria, while POS and Online transactions exert negative Impact on profits of Deposit Money Banks in the country. This indicates that while Electronic Banking can be used by Deposit Money Banks to maximize their profits, if not properly developed, it can also have an adverse effect on their profit level.

RECOMMENDATIONS

From the above findings, the following recommendations are reached
Deposit Money Banks should embark on aggressive re-orientation of customers to create awareness for the customers to patronize Electronic payment facilities especially in areas of ATM and MOB since this study reveals that they both have positive relationships with Bank's profitability.

1   Deposit Money Banks should employ more effective IT experts to mitigate cybercrimes that discourages online transactions so that the gains from Electronic Banking can be realized from online transactions.

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