CHAPTER FOUR

4.1. DATA PRESENTATION

A. UBA'S E-BANKING TRANSACTION VOLUME (2020–2024)

Year	ATM Transactions (₦ Billion)	Mobile Banking (₦ Billion)	Internet Banking (₦ Billion)	POS Transactions (₦ Billion)	Total E-Banking Income (₦ Billion)
2020	1,400	1,200	980	550	58.6
2021	1,600	1,800	1,350	780	72.3
2022	1,750	2,500	1,900	1,100	95.4
2023	1,900	3,200	2,500	1,500	120.8
2024	2,100	4,000	3,200	1,900	154.0

(Source: UBA Annual Reports, CBN Data 2025.)

B. FINANCIAL PERFORMANCE INDICATORS

Year	Profit Before Tax (₦ Billion)	Customer Deposits (₦ Trillion)	Cost-to-Income Ratio (%)	Digital Customers (Millions)
2020	131.9	4.1	59.8%	5.8
2021	153.0	5.0	57.2%	7.5
2022	200.8	6.4	54.0%	9.3
2023	256.2	7.8	50.5%	12.1

| 2024 | 300.0 | 9.0 | 48.0% | 15.0 |

(Source: UBA Annual Reports, CBN Data 2025.)

4.2. DATA ANALYSIS

A. Growth in Electronic Banking Transactions

Mobile banking recorded the highest growth, increasing from ₦1.2 trillion (2020) to ₦4.0 trillion (2024)—a 233% rise. Why POS transactions grew by 245%, reflecting Nigeria's cashless policy adoption. Also Internet banking also surged by 227%, indicating increased corporate and retail online transactions, Total e-banking income rose from ₦58.6 billion (2020) to ₦145 billion (2024), contributing significantly to fee-based income.

B. IMPACT ON PROFITABILITY

Profit Before Tax (PBT) increased from ₦131.9 billion (2020) to ₦300 billion (2024), a 127% partly driven by digital transaction revenues.

Cost-to-Income Ratio (CIR) improved from 59.8% (2020) to 48.0% (2024), showing cost efficiency from reduced branch reliance.

C. CUSTOMER BASE EXPANSION

Digital customers grew from 5.8 million (2020) to 15 million (2024), boosted by UBA's Leo Chatbot, Mobile App, and USSD Banking (*919#). Customer deposits increased by 119%, partly due to digital onboarding and seamless transactions.

D. COMPETITIVE EDGE

UBA's early adoption of AI-driven banking (Leo Chatbot) and cross-border digital payments (Africash, UBA Connect) strengthened its Pan-African dominance.

The bank won "Best Digital Bank in Africa" (2022, 2023, and 2024) due to its innovative e-banking solutions.

4.3. INTERPRETATION OF FINDING E-Banking is a major revenue driver: Digital transaction contributed over ₦145 billion (2024) in fees, boosting profitability, reduce reliance on physical branches lowered operational cost (CIR decline)

- ➢ Mobile Banking is the Fastest Growing Channel: Due to Nigeria high smartphone penetration, mobile banking surpassed ATM and internet banking.
- ➢ Financial Inclusion and Customer Growth: USSD and agency banking expanded UBA's reach to unbanked rural populations.
- ➢ Regulatory and Economic Impact: The CBN's cashless policy (2020-2024) accelerated POS and mobile transactions.

3. CONCLUSION

Electronic banking has significantly enhanced UBA's performance by:

- ➢ Increasing revenue from digital transactions.

- ➢ Reducing operational costs (lower CIR).

- ➢ Expanding customer base through digital channels.

- ➢ Improving profitability (PBT growth).

RECOMMENDATIONS FOR FURTHER IMPROVEMENT

- ➢ Enhance cyber security to prevent fraud.

- ➢ Expand rural digital banking to capture unbanked populations.

- ➢ Leverage AI & Block chain for faster and more secure transactions.

This section presents, analyzes, and interprets data collected on the impact of electronic banking (e-banking) on customer performance at United Bank for Africa (UBA). The study evaluates how e-banking services such as mobile banking, internet banking, ATMs, and

USSD banking influence customer satisfaction, transaction efficiency, and overall banking experience.

2. Data Presentation

The data was collected through surveys, interviews, and secondary sources (UBA annual reports, customer feedback). Below is a summary of key findings:

A. Demographic Data of Respondents

Category	Percentage (%)
Age Group:	
18-30 years	45%
31-45 years	35%
46-60 years	15%
Above 60 years	5%
Gender:	
Male	52%
Female	48%

(Source: Field Survey 2025.)

Frequency of E-Banking Usage:

Daily	40%

Weekly	35%
Monthly	20%
Rarely	5%

(Source: Field Survey 2025.)

B. Customer Perception of E-Banking Services

Service	Satisfaction Level (%)	Challenges Faced (%)
Mobile Banking	85%	15% (Network issues)
Internet Banking	78%	22% (Security concerns)
ATM Services	70%	30% (Card issues)
USSD Banking	65%	35% (Transaction errors)

(Source: Field Survey 2025.)

C. Impact of E-Banking on Customer Performance

Indicator	Before E-Banking (%)	After E-Banking (%)
Transaction Speed	50%	90%
Accessibility	60%	95%
Customer Satisfaction	65%	88%
Error Rate in Transactions	25%	5%

(Source: Field Survey 2025.)

3. Data Analysis

A. Customer Adoption of E-Banking

➢ Younger customers (18-45 years) dominate e-banking usage, indicating higher tech-savviness.

➢ Mobile and internet banking have the highest satisfaction rates, suggesting they are the most preferred channels.

➢ ATM and USSD banking face more challenges, possibly due to technical and usability issues.

B. Impact on Transaction Efficiency

➢ 90% of customers reported faster transactions after adopting e-banking.

➢ Accessibility improved significantly (95%), as customers can bank anytime, anywhere.

➢ Error rates dropped from 25% to 5%, indicating better reliability.

C. Customer Satisfaction and Loyalty

➢ 88% of customers expressed higher satisfaction due to convenience.

➢ Security concerns (22%) remain a challenge, particularly for internet banking users.

➢ Network issues (15%) affect mobile banking, suggesting a need for better infrastructure.

4. Interpretation of Findings

➢ E-banking has significantly improved UBA's customer performance by enhancing speed, accessibility, and satisfaction.

➢ Mobile and internet banking are the most effective, while ATM and USSD services need improvement.

> Security and technical issues are key barriers that UBA must address to retain customers.

> The shift to digital banking aligns with global trends, and UBA's investment in e-banking is yielding positive results.

5. Conclusion and Recommendations

Conclusion:

Electronic banking has positively impacted UBA's customer performance by making transactions faster, more accessible, and more efficient. However, challenges such as security concerns and technical glitches need attention.

Recommendations:

1. Enhance cyber security measures to boost customer trust.

2. Improve USSD and ATM services by reducing transaction errors.

3. Increase awareness and training for less tech-savvy customers.

4. Invest in better network infrastructure to minimize service disruptions.

This study confirms that e-banking is crucial for modern banking success, and UBA should continue innovating to maintain customer satisfaction and competitive advantage.

Test of Hypothesis

Hypothesis one

H01: Automated Teller Machine banking has no significant effect on the performance of deposit money banks in Nigeria?

The coefficient for Automated Teller Machine (ATM) banking is 0.517488, which indicates that there is a positive relationship between ATM banking and performance. This relationship is statistically significant, as the t-statistic is 7.938845, and the probability value is 0.0000, which is less than the conventional level of significance (0.05). Thus,

Automated Teller Machine banking
has a positive and significant effect on the performance of deposit money banks in Nigeria (pvalue = 0.0000).

Hypothesis Two

H02: Mobile Banking has no significant effect on the performance of deposit money banks in Nigeria.

The coefficient for Mobile Banking (MOB) is 0.259424, which indicates that there is a positive relationship between Mobile Banking and performance. However, this relationship is not statistically significant, as the t-statistic is 1.707463, and the probability value is 0.1261, which is greater than the conventional level of significance (0.05). Thus, Mobile Banking has a positive but non-significant effect on the total deposits of deposit money banks in Nigeria (p-value = 0.1261).

Discussion of Findings

The finding suggests that the use of ATMs has a positive effect on the performance of deposit money banks in Nigeria, and this effect is statistically significant. The positive effect of ATMs on the performance of deposit money banks may be due to their convenience and accessibility. ATMs are available 24/7, making it easy for customers to access their funds whenever they need them.

Additionally, the ability to deposit cash and checks into ATMs may encourage customers to deposit more frequently, resulting in higher deposits thus higher performance of DMBs. Similarly, Ighoreje and Okoroyibo (2020); Okafor (2020) realized similar result as agreed by Muotolu and Nwadialor (2019) when they recommended that bank management should pay more attention on the activities that will improve the ATM services if they wish to increase the ROA.

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