

Effect of Digital Services on Bank Stability of Listed Deposit Money Banks in Nigeria

Ibrahim Ahmed Abdullahi

Department of Business Administration, Faculty of Administration, Nasarawa State University, Keffi

Faisal Saidu Abubakar

Department of Business Administration, Faculty of Administration, Nasarawa State University, Keffi

Abstract:

This study examines the effect of digital banking services mobile banking, and internet banking, on bank stability measured by the Z-score. of listed deposit money banks in Nigeria Exchange, using data from 2014 to 2023. Ex-post facto research design was adopted, the population of the study consist of 13 listed deposit money banks, census sampling method was utilized, therefore the 13 listed deposit money bank was used as the sample size since the population is not too large. Employing a fixed-effects regression model, The results indicate that while mobile banking, and internet banking, are statistically significant, their direct effect on bank stability is minimal, as evidenced by the low coefficients for these variables despite their significance. This result suggests that other factors, such as regulatory frameworks, market competition, and risk management practices, may play a more substantial role in determining stability. The findings highlight that while digital banking services enhance operational efficiency and financial inclusion, their direct contribution to bank stability is limited. The study recommends strengthening risk management strategies and enhancing regulatory policies to mitigate the potential negative effects of digital transformation on bank stability.

Keywords:

Bank Stability, Mobile Banking, Internet Banking, deposit money bank.