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Cashless Policy for Business Purpose and the Performance of Deposit Money Banks in Nigeria

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ABSTRACT
Cashless economy is an environment in which money is spent without being physically carried from one place to another. The main objective of the study is to investigate the effect of cashless policy for business purpose and the performance of deposit money banks in Nigeria (2009-2019). The specific objectives are to: Investigate the effect of automated teller machine on the performance of deposit money banks in Nigeria, examine the effect of point of sale on the performance of deposit money banks in Nigeria, assess the effect of mobile banking on the performance of deposit money banks in Nigeria and to examine the effect of internet banking on the performance of deposit money banks in Nigeria. We employed Econometric techniques involving Descriptive Statistics, Augmented Dickey Fuller Tests for Unit Roots and the Ordinary Least Square (OLS). The result of the study indicates that Automated Teller Machine (ATM), Point of Sale (POS), Mobile Banking (MB), and Internet Banking has positive and significant effect on return on asset (ROA). The study thus concludes that cashless policy has positively affected the performance of money deposit banks in Nigeria. The study recommends that government should provide uninterrupted power supply and adequate communication link while shortfall should be covered by banks through back-up arrangement to power standby generator in case of power outage; Government should also support banks in the aspect of financing the payment system which requires a lot of capital to maintain; Government and the CBN should create awareness on the benefits derivable from cashless policy for the improvement of businesses and economic development;
Keywords*:* cashless policy, performance of deposit money banks, Nigeria

INTRODUCTION

Cashless economy is an environment in which money is spent without being physically carried from one place to another (Ajayi, 2014). The nation's quest for migrating from cash to cashless economy has been on the front burner. Analysts have posited that to meet the target of becoming one of the leading world economies by the year 2020, efforts must be made to embrace electronic payment system in its entirety. It was in this consciousness that the CBN, which is the apex regulatory body of the banking sector, came up with the cashless policy to check the increasing dominance of cash in the banking sector in order to enhance e-payment system in the economic landscape and to enable Nigeria's monetary system fall in line with international best practices or discourage movements of huge cash manually, but at the same time, increase the proficiency of Nigeria's payment systems which will in turn improve the quality of service being offered to the banking public(Alagh & Emeka, 2014)

The cashless policy was conceptualized by the apex bank to migrate Nigeria's economy from cash based economy to a cashless one through electronic payment system, not only to enable Nigeria monetary system be in line with international best practices or discourage movement of cash manually, but at the same time increase the proficiency of Nigeria's payment system which will in turn improve the quality of service being offered to the banking public (Adewoye, 2013). Cashless policy aims to curb some of the

negative consequences associated with the high usage of physical cash in the economy, which includes high cost of cash, high risk of using cash, high subsidy, informal economy, inefficiency and corruption (CBN, 2011).

Cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid for through electronic media. According to Woodford (2003), Cashless economy is defined as one in which there are assumed to be no transactions frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn higher rate of return.

Despite the usefulness of the proposed cashless policy, there are still some problems of a cashless society such as unstable electronic value of money which has become even more volatile especially given the fact that people will be conducting business with imaginary money. The government has been able to monitor purchases, spending habits and businesses patronized. Under this new system, the government will have a total control of our transaction and therefore exposing the privacy of individuals (Siyanbola, 2013).

Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI) Theory has been one of the models that have been developed to provide a better understanding of the usage and adoption of information technology.

The introduction of cashless policy in Nigeria has a strong influence on the development of payment system; it involves commitment of huge amount of financial resources on computer technology, telecommunication facilities and constant electricity.

Statement of the Problem

Various empirical studies have been carried out on the cashless policy and deposit money banks in Nigeria with different conclusions and results. Adekoya (2011); Alagh and Emeka(2014), examined the impact of cashless banking on the profitability of banks in Nigeria. The study used proxies for cashless banking such as Automated teller machine (ATM), Point of sale (POS), and web based transaction (WBT) to examine its impact on the aggregate return on equity (ROE) of deposit money banks in Nigeria, through an ordinary least square (OLS) multiple regression method of analysis. The result showed that ATM and POS are positively related to ROE, while WBT related negatively to ROE.

Alao and Sorinola, (2015) examined cashless policy and customers' satisfaction: Data were collected with a well structured questionnaire and analyzed with descriptive statistics, while hypotheses formulated for the study were tested with correlation co-efficient. The findings of the study reveal that cashless policy contributed significantly to customers' satisfaction in Ogun State.

Osazevbaru and Yomere (2015) investigated the benefits and challenges of Nigeria's cashless policy. Secondary data were collected and content analysis applied in data analysis. The study found banks' income higher in cashless setting than in cash based arrangement.

Ochei, Achugamonu, Areghan and Edwin (2015) examined the fraud, unemployment and cashless system. The methodology employed for testing the hypotheses is a statistical parametric test called Pair Sample t-test through the use of SPSS statistical package. The study rejects the null hypotheses which mean that cashless economy would increase the rate of fraud and unemployment in Nigeria. Abubakar, Gatawa, and Birnin-Kebbi, (2013); Onyedimekwu, and Oruan, (2013); Alao, and Sorinola, (2015) suggest that cashless policy has negative effect on the performance of commercial banks in Nigeria.

The deference in findings and conclusions of these researchers in respect of its positive and negative effect implies that there is inconsistency and gap in literature which calls for more study and contribution on the debate. However, this study filled the gap that arises from inconsistency in the previous empirical findings by the incorporation of automated teller machine, point of sale, mobile banking and internet banking, all in one model to determine the actual effect of cashless policy on the performance of Deposit money Banks in Nigeria

REVIEW OF RELATED LITERATURE

Conceptual Review

Cashless Policy

Cashless economy does not mean a total elimination of cash as money will continue to be a means of exchange for goods and services in the foreseeable future. It is a financial environment that minimizes the use of physical cash by providing alternative channels for making payments. Contrary to what is suggestive of the term, cashless economy does not refer to an outright absence of cash transactions in the economic setting but one in which the amount of cash-based transactions are kept to the barest minimum. It is an economic system in which transactions are not done predominantly in exchange for actual cash. It is not also an economic system where goods and services are exchanged for goods and services (the barter system). It is an economic setting in which goods and services are bought and paid for through electronic media (Ajayi, 2014).

Cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid for through electronic media. According to Woodford (2003), Cashless economy is defined as one in which there are assumed to be no transactions frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return. In a cashless economy, how much cash in your wallet is practically irrelevant. You can pay for your purchases by either credit cards or bank transfer. (Roth, 2010). It has been observed that developed countries of the world, to a large extent, are moving away from paper payment instruments toward electronic ones, especially payment cards. Some aspects of the functioning of the cashless economy are enhanced by e-finance, e-money, e-brokering and e-exchanges. These refer to how transactions and payments are effected in a cashless economy (Mohammed, Mohammed, & Alexander, 2014). Ajayi, (2014) argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and that the current level of e-money usage does not pose a threat to the stability of the financial system. However, it does conclude that central banks can lose control over monetary policy if the government does not run a responsible fiscal policy. According to Woodford (2003), Cashless economy is defined as "one in which there are assumed to be no transactions frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return". Basel Committee (1998) expressed the difficult in rightly defining the electronic money but agree that it blends technological and economic characteristics. Other renowned institutions and experts have tried to define concept of electronic money which they all believe is the backbone of the cashless economy. For European Central Bank (1998), electronic money is broadly defined as an electronic store of money value on a technical device that maybe widely used for making payments to undertakings other than the issuer without necessarily involving bank accounts in the transactions, but acting as a prepaid bearer instrument. Electronic payments as argued by scholars have a significant number of economic benefits apart from their convenience and safety.

These benefits when maximized can go a long way in contributing immensely to economic development of a nation. Automated electronic payments help deepen bank deposits thereby increasing funds available for commercial loans – a driver of all of overall economic activity. Efficient, safe and convenient electronic payments carry with them a significant range of macro-economic benefits. The impact of introducing electronic payments is akin to using the gears on a bicycle. Add an efficient electronic payments system to an economy, and you kick it into a higher gear. Add better-controlled consumer and business credit, and you notch up economic velocity even further (Okoye & Raymond 2013).

Automated Teller Machine

ATM is a computer controlled device that dispenses and provides other services to customers who identify them with a personal identification number (PIN). The physical carriage of cash as well as frequent visit to the banks is being reduced. The principal advantage of ATM is that it dispenses cash at anytime of the day even as it needs not to be located within the banking premises but in stores, shopping malls, fuel stations etc, unlike the traditional method where customers have to queue for a very long

period of time to withdraw cash or transfer funds. The ATM is the most popular e-transaction solution in Nigeria. ATM is popular because of its convenience.

With ATM, it is a lot easier to withdraw money or to check account balance. However, despite its popularity, the ATM has done very little in reducing the amount of cash in the economy. This is because most Nigerians use ATM only for cash withdrawal. Although ATM machines can perform other functions like fund/cash transfer, mobile phone credit recharge and bills payment, cash withdrawals and balance inquiry remain the most popular applications sort after by users in Nigeria. This is largely due to ignorance and the absence of merchants. Because ATM machines are mainly used for cash withdrawals, they do not go far enough in turning Nigeria into a cashless economy. ATM only makes more cash available in the economy because of the ease at which depositors can withdraw cash. To turn Nigeria into a cashless economy Nigerians need more than just ATM cards, Nigerians need credit/debit cards.

Internet Banking

Internet banking refers to systems that enable bank customers to get access to their accounts and general information on bank products and services through the use of bank's website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations (Olorunsegun, 2010). Siyanbola (2013) puts it that internet banking involves conducting banking transactions on the internet (www) using electronic tools such as the computer without visiting the banking hall. E-commerce is greatly facilitated by internet banking and is mostly used to effect payment. Internet banking like mobile banking also uses the electronic card infrastructure for executing payment instructions and final settlement of goods and services over the internet between the merchants and the customers. Commonly used internet banking transactions in Nigeria are settlement of commercial bills and purchase of air tickets through the websites of the merchants. Level of awareness of the advantages of this product to the saving populace is still very low; hence, there is every room for improvement if cashless banking would be effective as expected (Siyanbola, 2013). Internet banking (e-banking) is the use of internet and telecommunication networks to deliver a wide range of value added products and services to bank customers (Uchenna, 2015) through the use of a system that allows individuals to perform banking activities at home or from their offices or over the internet. Some online banks are traditional banks which also offer online banking, while others are online only and have no physical presence. Online banking through traditional banks enables customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments, and stop-payment requests, and some even offer online loan applications. Customers can access account information at any time, day or night, and this can be done from anywhere. Internet banking has improved banking efficiency in rendering services to customers

Mobile Banking

This involves the use of mobile phone for settlement of financial transactions. This is more or less fund transfer process between customers with immediate availability of funds for the beneficiary. It uses card infrastructure for movement of payment instructions as well as secure SMS messaging for confirmation of receipts to the beneficiary. It is very popular and exciting to the customers given low infrastructure requirements and a rapidly increasing mobile phone penetration in the country. Services covered by this product include account enquiry; funds transfer; recharge phones; changing passwords, bill payments. Even though the product is exciting most customers are yet to fully buy into it in Nigeria, hence, both the apex bank and other banks still have a lot to do in terms of increasing awareness of the product to the saving populace in the country (Siyanbola, 2013).

Mobile banking (m-banking) refers to provision and availment of banking and financial services through the help of mobile telecommunication devices. The scope of services offered may include facilities to conduct bank and stock market transactions, administer accounts and to access customized information (Kennedy & Jacky, 2013).

Performance of Deposit Banking

Traditionally, performance in deposit money banking has been measured through costs, time, and quality, which highlight production orientation in the banking (Akhalumeh & Ohiokha, 2012). According to the "triple constraint", a policy is considered to be successful if the service is delivered at the right time, for the right price and quality (Omotunde, Sunday & John-Dewole 2013). In this former way of thinking, services were in the dominating position, the crucial field of know-how was production, and the customer was seen as a passive receiver of the building in the end of the construction value chain. However, this production related assessment does not describe the present state of the construction. On the contrary, banking affiliates strongly with customer orientation where service delivered by the banks is emphasized alongside with traditional success factors. Regarding the level of customer satisfaction, the negative factors appear towards the end of commercial banks services. It is well described by the fact that in less successful projects, all sectors of the project are seen as poor, and if a project succeeds in one sector, it is likely to succeed in another as well. What is noteworthy here is that co-operation and banks qualities of services are not separate dimensions but interwoven with the central processes of banking. Moreover, direct and indirect relationships can be perceived between the factors of customer satisfaction.

Theoretical Framework

The study is anchored upon the Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI) Theory by Fred Davis (1985). TAM is an information systems theory that models how users come to accept cashless policy and use a technology that will enhance the performance of Deposit money Banks in Nigeria. TAM is one of the models that have been developed to provide a better understanding of the usage and adoption of information technology which is the base of cashless policy that will promote the performance of Deposit money Banks in Nigeria. It is presently a prominent theory used in modeling technology acceptance and adoption in information systems research. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it. The factors are; perceived usefulness (PU) and perceived ease-of-use (PEOU). According to TAM, one's actual use of a technology system is influenced directly or indirectly by the user's behavioral intentions, attitude, perceived usefulness of the system, and perceived ease of the system. DOI theory seeks to explain how, why, and at what rate new ideas and technology spread through cultures. Innovation Diffusion Theory (IDT) consists of six major components: innovation characteristics, individual user characteristics, adopter distribution over time, diffusion networks, innovativeness and adopter categories, and the individual adoption process which are the bases of cashless policy that promote the performance of commercial banks in Nigeria.

Empirical Review

Ogutu and Fatoki (2019) examined the effect of electronic banking on financial performance of listed commercial banks in Kenya. The study employed quantitative research design using panel data analysis. The targeted population of the study was the 11 listed commercial banks in Kenya. Secondary data was extracted from CBK banking supervisory reports and published annual reports of banks. The data was recorded on data collection sheets. Both descriptive and inferential statistics were used. The findings were presented using tables with associated explanations. The study found that there was strong positive relationship between mobile banking, agency banking, ATM banking and online banking and financial performance of listed commercial banks in Kenya. Financial performance of commercial banks and m-banking were strongly and positively correlated.

Hussein and Elyjoy (2018) examined the effect of internet banking on operational performance of commercial banks in Nakuru County, Kenya. The study employed Bank-Focused Theory and The Technology Acceptance Model (TAM). This study adopted a cross-sectional research design. The study population comprised of 56 employees of the commercial banks. Since the banks are few, the study adopted a census survey. Data was collected using structured questionnaires. A pilot study was conducted in Uasin Gishu County to determine validity of the research instruments where Cronbach's alpha

coefficient (0.7) was employed. Data was analyzed using correlation and regression analysis. The study established that internet banking has a positive significant effect on operational performance of the commercial banks.

Taiwo, and Agwu (2017) investigated the roles e-banking adoption has played in the performance of organizations using a case study of commercial banks in Nigeria. Primary data were obtained by administering questionnaires to staff of four purposively selected banks (Ecobank, UBA, GTB and First bank). Pearson correlation was used to analyze the results obtained using the Statistical Package for Social Sciences (SPSS) and it was observed that banks' operational efficiency in Nigeria since the adoption of electronic banking has improved compared to the era of traditional banking.

Amu, and Nathaniel (2016) studied the relationship between electronic banking and the performance of Nigerian commercial banks. The study became necessary due to the increased adoption of the electronic banking which has redefined the banking service both in Nigeria and internationally. Electronic banking was proxied by value of Point-of-Sale transactions while commercial banking performance was proxied by customers' deposits. Engle-Granger cointegration model was used to analyze data. The results show that POS is not cointegrated with both the savings and time deposits but are cointegrated with demand deposits.

Abaenewe, Ogbulu, and Ndugbu, (2015) investigated the profitability performance of Nigerian banks following the full adoption of electronic banking system. The study became necessary as a result of increased penetration of electronic banking which has redefined the banking operations in Nigeria and around the world. Judgmental sampling method was adopted by utilizing data collected from four Nigerian banks. These four banks are the only banks in Nigeria that have consistently retained their brand names and remain quoted in the Nigerian Stock Exchange since 1997. The profitability performance of these banks was measured in terms of returns on equity (ROE) and returns on assets (ROA). With the data collected, we tested the pre- and post-adoption of e-banking performance difference between means using a standard statistical technique for independent sample at 5 percent level of significance for performance factors such as ROE and ROA. The study revealed that the adoption of electronic banking has positively and significantly improved the returns on equity (ROE) of Nigerian banks.

Alao and Sorinola, (2015) examined cashless policy and customers' satisfaction: A Study of Deposit money Banksin Ogun State, Nigeria. The study seeks to investigate the customers' satisfaction of the recently introduced cashless policy in Ogun State, Nigeria with a survey of bank customers in Abeokuta. Data was collected with a well structured questionnaire and analyzed with descriptive statistics, while hypotheses formulated for the study were tested with correlation co-efficient. The findings of the study reveal that cashless policy contributed significantly to customers' satisfaction in Ogun State.

Osazevbaru and Yomere (2015) investigated the benefits and challenges of Nigeria's cashless policy. Secondary data were collected and content analysis applied in data analysis. The study found banks' income higher in cashless setting than in cash based arrangement.

Igbara, Emerenini, and Daasi, (2015) examined the impact of cashless policy on small scale businesses. The study carried out in Ogoni of Rivers state, using the purposive sampling technique, 250 owners and operators of small scale businesses were selected and administered questionnaire. The data collected were coded and analyzed using frequency table and percentage, while regression analysis was used to test the formulated hypotheses using SPSS (Statistical Package for Social Sciences). The results indicate that: small scale businesses in Ogoni land are predominately occupied by sole proprietorship with meager income with a significant numbers of them having a very poor banking habit

Isaac and Michael (2015) examined the effectiveness of mobile banking services in selected Deposit money Banks in Rwanda. Descriptive design involving both qualitative and quantitative approaches was employed. Sample size of 227 was computed from a total population of 524 employees from the selected banks and the selection of respondents was done through systematic random sampling. The instruments of data collection used in this study included both structured questionnaires and interview. In data analysis, quantitative data was analyzed through frequencies and percentages for respondents', mean values were used to determine the effectiveness of mobile banking services in the selected Deposit money Banks.

Difference in effectiveness of mobile banking services was determined through One-Way-ANOVA. Research findings reveal that mobile banking services in the selected Deposit money Banks were generally effective.

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Summary of Empirical Review

Houssem and Hichem (2012), Jarita and Salina .(2012), Houssem and Hichem (2012), Nwosa and Amassoma (2014), Chigbu and Ubah (2015),Okafor, Hillary, and Grace (2015) have found that cashless policy has positive effect on the performance of deposit money Banksin developing countries including Nigeria. Moreover, other authors like Sulaiman and Azeez, (2012), Egbetunde, (2012), Kasidi and Said (2013), Imimole,Imoughele andOkhuese(2014), Baghebo and Apere, (2014), Imran, Fatima and Arzoo (2014), Olanrewaju, Abubakar and Abu (2015) posit that cashless policy has negative effect on the performance of deposit banks in developing countries including Nigeria.

However, most of these studies were done in an environment outside that of Nigeria. Again, the time frames considered in these studies were short and the results from these studies are conflicting. These shortcomings have somehow contributed to the knowledge gap in the literature, thus warranting a more systematic and comprehensive study on the effect of cashless policy for business purpose on the performance of Deposit money Banks in Nigeria. This study seeks to improve on the past studies by making use of quarterly data from 2009 to 2019.

METHODOLOGY

Research Design

The study is descriptive and adopted an ex-post facto research design because the data for the study are secondary data which were sourced from Central Bank of Nigeria (CBN), Statistical Bulletin and Statement of Accounts for the period under review. Return on equity is the dependent(Y) variable while the major explanatory variables (X) considered in the study are automated teller machine, point of sale terminal, mobile banking and internet banking

Model Specification

The model used for the study was the adaptation and modifications from the work of Alagh and Emeka (2014). They analyzed the effect of Cashless policy on Banks' Profitability in Nigeria. The model is stated thus:

ROE= f (ATM, POS, MB)

Where:

ROE = Return on Equity

ATM = Automated Teller Machine
POS= Point of sale
MB= Mobile Banking
The model was adapted and modified by introducing internet banking as one of the explanatory variables
ROE = f (ATM, POS, MB, ITB)
$ROE = \beta_0 + \beta_1 ATM + \beta_2 POS + \beta_3 MB + \beta_4 ITB + \mu$ - - - - - 1
Where:
ROE = Return on Equity
ATM = Automated Teller Machine
POS= Point of sale
MB= Mobile Banking
ITB= Internet Banking (ITB)
β_0 and μ are the constant and error term respectively while β_1, β_2, β_3, and β_4 are the coefficient of cashless policy on the performance of deposit money banks in Nigeria

Method of Analyses

The data were analyzed with econometric techniques involving descriptive statistics, Augmented Dicker Fuller and Philip Perron Tests for Unit Roots and the Ordinary Least Square (OLS).

DATA ANALYSIS

Table 1: Descriptive Statistics

	ROE	ATM	POS	MB	ITB
Mean	19.5863	17.0231	21.2077	49.0336	27.5000
Std. Dev.	2.0344	1.1436	1.5913	10.0172	64.4092
Skewness	-0.5049	0.2366	-0.2891	-0.2188	-2.6088
Kurtosis	1.9873	2.6357	1.6853	2.5131	11.7220
Jarque-Bera	1.8748	0.3269	1.8907	0.3929	94.6903
Probability	0.3916	0.8491	0.3885	0.8216	0.0000
Observations	22	22	22	22	22

Source: Computed from E-views 9.0

The results of the descriptive statistics showed that the mean of the variables for return on equity (19.5863), automated teller machine (17.0231), point of sale (21.2077), mobile banking (49.0336) andinternet banking (27.5000) are larger than their respective standard deviations, 2.0344, 1.1436, 1.5913, 10.0172 and 64.4092respectively. This suggests that there is no wide variation between the series of the variables. Also, the values for their respectively skewness and kurtosis are close to 0 and 3 respectively indicating presence of normal distribution in the series.

Table 2: Summary of the Unit Root Result

Variables	T-statistics	Probability	Order of Integration
ROE	-6.088595	0.0000	1(0)
ATM	-3.867397	0.0053	1(0)
POS	-4.619034	0.0010	1(0)
MB	-5.531824	0.0031	1(0)
ITB	-9.281478	0.0020	1(0)

Source: Computation from E-view Version 9.0

The table above shows that return on equity, automated teller machine, point of sale, mobile banking and internet banking assume stationary at levels. This is indicated by the probability values of the test which are below 0.05 levels of significance.

Analyses of the effect of Cashless Policy for Business Purpose and the Performance of Deposit Money Banks in Nigeria

Dependent Variable: ROE
Method: Least Squares
Date: 02/10/20 Time: 15:27
Sample: 2009 2019
Included observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ROE	0.667553	0.824890	10.809263	0.0260
ATM	0.164745	1.010577	2.163021	0.0058
POS	0.518247	0.672745	3.770347	0.0183
MB	0.068816	0.039042	2.762604	0.0302
ITB	0.027885	0.022862	2.219695	0.0040

R-squared	0.712561	Mean dependent var	4.676947
Adjusted R-squared	0.655073	S.D. dependent var	7.153306
S.E. of regression	6.953540	Akaike info criterion	6.888364
Sum squared resid	1208.793	Schwarz criterion	7.165910
Log likelihood	-100.7696	Hannan-Quinn criter.	6.978837
F-statistic	19.349696	Durbin-Watson stat	2.971283
Prob(F-statistic)	0.006525		

Source: Computation from E-view Version 9.0

The results from coefficient (0.667553) and the probability value (p. = 0.0260< 0.05) showed that return on equity (ROE) which is the dependent variable(Y) is positive: This means that if all the independent, explanatory variables (X) are held constant, return on equity (ROE) as a dependent variable (Y) will grow by (0.667553) units in annual-wide basis.

The results from coefficient (0.164745) and the probability value (p. = 0.0058< 0.05) showed that automated teller machine (ATM) had positive and significant effect on return on equity (ROE). This means that the null hypothesis one: automated teller machine (ATM) has no significant effect on return on equity, is rejected.

The results from coefficient (0.518247) and the probability value (p. =0.0183< 0.05) showed that point of sale (POS) had positive and significant effect on return on equity (ROE). This means that the null hypothesis two: Point of sale has no significant effect on the performance of Deposit money Banks in Nigeria, is rejected.

The results from coefficient (0.068816) and the probability value (P. =0.0302< 0.05) showed that mobile banking (MB) had positive and significant effect on return on equity (ROE). This means that the null hypothesis three: Mobile banking has no significant effect on the performance of Deposit money Banks in Nigeria, is rejected.

The results from coefficient (0.027885) and the probability value (P. = 0.0040< 0.05) showed that Internet banking (ITB) had positive and significant effect on return on equity (ROE). This means that the null hypothesis four: Internet banking has no significant effect on the performance of Deposit money Banks in Nigeria, is rejected.

However, the coefficient of determination (R^2) = 0.712561showed that about 71% of changes in the performance of Deposit money Banksin Nigeria is accounted for by the level of cashless policy in

Nigeria. This implies that cashless policy is one major contributor on the performance of Deposit money Banks in Nigeria

The F-statistics (19.349696; p. < 0.05) indicated that all the variables of the model (cashless policy variables) have significant effect on the performance of Deposit money Banks in Nigeria

The Durbin Watson statistics (2.971283) showed that there was no autocorrelation in the model employed.

DISCUSSION OF FINDING

Automated Teller Machine: The result of the study indicates that automated teller machine has positive and significant effect on the performance of deposit money banks in Nigeria. The results of our findings are consistent with the work of Adu, (2016) in terms of automated teller machine, it was discovered that automated teller machine has positive effect on the performance of deposit money banks in Nigeria.

Point of Sale: The result indicates that point of sale has significant effect on the performance of deposit money banks in Nigeria. The result of the findings is inconsistent with the work of Agwu, Atuma, Ikpefan, and Aigbiremolen, (2014) (2016) they posited that point of sale has negative and insignificant effect on the performance of deposit money banks in Nigeria.

Mobile Banking: The result indicates that, mobile banking has significant effect on the performance of deposit money banks in Nigeria. The result of our findings are consistent with the work of Asidok, and Michael, (2018) in terms of mobile banking (MB), it was discovered that mobile banking has significant effect on the performance of deposit money banks in Nigeria

Internet Banking: The result indicates that, internet banking has significant effect on the performance of Deposit money Banks in Nigeria. The results of our findings are consistent with the work of Okoro (2014) in terms of internet banking, it was discovered that internet banking has significant effect on the performance of Deposit money Banks in Nigeria

The coefficient of determination (R^2) = 0.712561showed that about 71% of changes on the performance of Deposit money Banks in Nigeria is accounted for by the level of cashless policy in Nigeria. This implies that cashless policyis one major contributor to the performance of Deposit money Banks in Nigeria

The F-statistics (19.349696; p. < 0.05) indicated that all the variables of the model (cashless variables) have significant effect on the performance of Deposit money Banks in Nigeria. The Durbin Watson statistics (2.971283) showed that there was no autocorrelation in the model employed.

CONCLUSION

The regression result indicates that automated teller machine, point of sale, mobile banking and internet banking have positive and significant effect on return on equity (ROE). The study thus concludes that cashless policy for business purpose has positive effect on the performance of Deposit money Banks in Nigeria.

RECOMMENDATIONS

In line with the objectives and findings, we recommend that: There is significant need for public education and awareness on the benefits of automated teller machine to enhance the adoption of cashless policy for business purpose in Nigeria. The banks must improve service quality and customer responsiveness in cases of lost or stolen cards, frauds, and other customer complaints in relation to point of sale and performance of Deposit money Banks in Nigeria. There is additional need for ensuring ease of use, and customer interactive features in mobile and on-line shopping systems in Nigeria and that the banks management should from time to time train customers with regard to internet banking, its benefits, risk exposure, physical and internet security to avoid financial loss in the hands of hackers. Also, trainings should be held for bank staff in short periods to acquaint them with modern developments of the sophisticated technology in changing times.

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