Impact Of Digital Asset Management On The Performance Of Selected Banks In Nigeria

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Abstract:

Background: The banking sector in Nigeria has evolved significantly with the integration of digital technologies. Digital Asset Management (DAM) plays a vital role in improving service delivery, efficiency, and compliance. Despite its significance, there are mixed findings on DAM's impact on bank performance. Regulatory compliance remains a crucial factor influencing operational stability. This study explores the influence of DAM on selected banks in Nigeria.

Materials and Methods The study targeted 43 Deposit Money Banks, selecting three with high digital operations— Access Bank, First Bank, and GTBank. A structured questionnaire was administered to 75 senior operations staff across these banks. Data were collected via Open Data Kit and analyzed using STATA with regression analysis. Reliability tests (Cronbach's Alpha = 0.78) confirmed the tool's consistency. Respondents included senior, mid-level, and compliance officers.

Results: Findings indicate that DAM positively affects bank performance, especially in operational efficiency and customer satisfaction. Internet and mobile banking were prevalent, with blockchain and AI commonly used technologies. Regression analysis revealed a strong relationship between DAM and performance ($R^2 = 0.91$). However, perceptions on risk mitigation and compliance effectiveness varied. Banks reported mixed adherence to regulatory frameworks.

Conclusion: Digital Asset Management significantly enhances performance in Nigerian banks by improving profitability, efficiency, and service quality. However, gaps remain in consistent regulatory compliance and risk mitigation. Effective DAM strategies are essential in today's digital banking environment. The study underscores the need for continuous DAM optimization. Banks must invest in robust digital infrastructure for sustainable growth.

Key Word: Digital Asset Management, financial performance, service quality, digital banking.

I.   Introduction

The banking landscape has undergone a transformative evolution in recent years, driven by the relentless march of ICT Innovations. The convergence of cutting-edge technologies and financial services has ushered in a new era, fundamentally reshaping the way banking services are conceptualized, delivered, and operated (Oyewole & El-maude, 2013). Digital Assets Management (DAM) encompasses the management of digital records, customer data, and financial information. Digital banking is the use of automated delivery mechanisms in the provision of services (Brown, 2018; Smith & Anderson, 2020). Digital Asset Management (DAM) has emerged as a critical component of financial institutions' operations, enabling them to manage digital assets efficiently and effectively. Bataev and Plotnikova (2019) explained DAM as the use of sophisticated technology in the provision of bank product/services in satisfying customers' needs through its various channels. Consequently, DAM has transformed the products, services and procedures of traditional banking which has helped to improve service quality, competitiveness, and operational cost reduction. According to Enoruwa et al. (2019), digital banking has become a strategic tool for increasing operational control, efficiency, variety of financial services and customer experience in financial institutions. It also lowers costs by replacing automated processes for labor-intensive, paper-based methods, which raises productivity and profitability. The importance of digital asset management and regulatory compliance cannot be overemphasized. Similarly, a study by Akintunde and Oyedokun (2020) found that regulatory compliance is essential for maintaining public trust and confidence in financial institutions. Another study by Olowe et al. (2022) found that digital asset management and regulatory compliance are critical determinants of financial performance in Nigerian banks.

Regulatory compliance on the other hand is crucial as it allows financial systems and institutions to maintain their stability and relative solidity. CBN and all the other similar regulatory bodies have put in place

several regulations and internal control systems to minimize or eradicate these identified risks (Ojong & Ndifon, 2020; Adegbite, Amaeshi & Nakajim, 2013). Internal control and regulatory compliance can be viewed as a collection of integrated policies and procedures that constitute a control over the firm's operations to guarantee that the entity complies with managements and the board of directors' objectives (Yousef, 2017; COSO, 2013; Spira & Page, 2003). In Nigeria, the Companies and Allied Matters Act (CAMA), 1990 serves as the primary guidance for information provided in Audited Financial Statements (AFS). The Act's Section 334(2) specifies the information that must be disclosed. Nevertheless, banks and other financial institutions, such as Primary Mortgage Institutions (PMIs), are also required to abide by the Nigeria Deposit Insurance Corporation (NDIC) Act of 2006 and the Banks and Other Financial Institutions Act (BOFIA), 1991.

According to the NDIC Act, "Every insured institution shall submit to the Corporation such returns, and information as may be required from time to time within the stipulated period," as stated in section 27(1). Over the years, there have been several major bank collapses and crises in the global banking sector, with a lack of effective internal controls and regulatory compliance being one of the contributing factors. Recent scandals have exposed instances in which businesses have used dishonest accounting techniques to withhold crucial information about their financial records (Cohen, Holder-Webb, Nath, & Wood, 2012). Massive non-performing loans, a lack of transparency, and insufficient capital are the main causes of the crisis that afflicted the Nigerian financial sector. Weak internal controls and incompetent or compromised external audits also played a major part in the crisis that engulfed the sector, particularly from the early 1990s until mid-2004 (Adeyemi & Adenugba, 2011). The Nigerian banking sector underwent changes in 2005, however a breakdown in internal control mechanisms at the banks led to regulatory failures and unsatisfactory corporate governance (Agbonkpolor, 2010).

Profitability, customer retainment and satisfaction and compliance to regulations are major metric in measuring organizational performance and it is critical for banks to continually find ways of ensuring profitability levels and customer retainment are increased. The ever-evolving advancement in technology is designed to aid bank service delivery system and its overall performance. Hence, several studies have shown contradicting results on the impact of Digital Asset Management on its performance such as Ugwueze and Nwezeaku (2016), Eze and Egoro (2016), Vekya (2017), Obiekwe and Anyanwaokoro (2017), Okon and Amaegberi (2018), Kahveci and Wolfs (2018), Perry-Quartey (2018), Gayathri and Suvitha (2018), Enoruwa, et. al. (2019), Oyewole et al (2013), David-West et al (2018), Monyoncho (2015) and Abaenewe et al (2013) to mention a few. Despite the huge importance of Digital Asset Management (DAM), there is a need for further research on its impact on the performance of select financial institutions in Nigeria. This study therefore aims to investigate the impact of digital asset management on the performance of select financial institutions in Nigeria, with a focus on the banking industry.

Research Objective:
1. To examine the various forms of Digital Asset Management available among the selected banks.
2. To investigate the impact of digital asset management in enhancing the performance of the selected banks.

Research Hypotheses:
1. H_0: There is no significant impact of DAM on the performance of the selected banks.

II.   Material And Methods
The research population of this study comprises of 43 Deposit Money Banks (DMB) in Nigeria as of April 26th, 2024. Three (3) purposive sample Deposit Money Banks with high volume of digital banking operations were selected for the study. Access Bank Plc, First Bank of Nigeria Plc., and Guaranty Trust Bank Plc. Twenty-five (25) copies of a structured questionnaire were distributed to senior operations staffs who are involved in operational activities in each of the three (3) selected banks making a total of seventy-five (75) copies distributed. The reliability of the questionnaire was assessed using Cronbach's Alpha, which yielded a value of 0.78, indicating high internal consistency among the items. A test-retest reliability analysis was also conducted with a subset of respondents, resulting in a correlation coefficient of 0.81, further supporting the instrument's reliability. The content validity of the questionnaire was established through expert reviews, ensuring that the items comprehensively covered the relevant constructs. In conclusion, the questionnaire was found to be both reliable and valid for measuring the intended constructs in this study, providing confidence in the accuracy and consistency of the findings. Electronic method of data collection shall be utilize using Open- Data-Kit [ODK] and were analyzed using descriptive statistics and regression analysis. This study drew samples from senior, mid-level and experienced operations officers including compliance and risk officers in the selected banks.

III. Result

Socio-Demographic Characteristics

The demographic characteristics of the respondents in this study provide a comprehensive overview of the sample population. The gender distribution is relatively balanced, with 49.3% of the respondents being male (n=37) and 50.7% being female (n=38). The age group distribution shows a diverse range, with the majority of respondents falling into the extremes of the age spectrum: 22.7% are aged 18-25 (n=17) and 26.7% are aged 56 and above (n=20). The other age groups are represented as follows: 18.7% are aged 26-35 (n=14), 20.0% are aged 36-45 (n=15), and 12.0% are aged 46-55 (n=9). Regarding educational qualifications, the respondents also demonstrate a wide range of academic backgrounds. A significant portion, 28.0%, have qualifications classified as "Others" (n=21), followed by 22.7% holding HND/Bachelor degrees (n=17). Those with a Ph.D. represent 20.0% of the sample (n=15), while both OND/NCE and M.Sc. holders each constitute 14.7% of the respondents (n=11 each).

In terms of their positions within the bank, 29.3% of respondents are in Mid-Level Management (n=22), while Senior Management accounts for 25.3% (n=19). Junior Management positions are held by 21.3% of the respondents (n=16), and 24.0% fall into the "Others" category (n=18). The years of experience among respondents vary, with the largest group having 6-10 years of experience, representing 32.0% of the sample (n=24). Those with 16-20 years of experience make up 22.7% (n=17), while 21.3% have 11-15 years of experience (n=16). Respondents with over 20 years of experience constitute 14.7% (n=11), and the smallest group, with 1-5 years of experience, comprises 9.3% (n=7).

Table 1: Socio Demographic Characteristics of the Respondents

Variables	Categories	Frequency n=75	Percent
Sex	Male	37	49.3
	Female	38	50.7
Age Group	18-25	17	22.7
	26-35	14	18.7
	36-45	15	20.0
	46-55	9	12.0
	56 and above	20	26.7
Educational Qualification	OND/NCE	11	14.7
	HND/Bachelor	17	22.7
	M.Sc.	11	14.7
	P.hD.	15	20.0
	Others, specify	21	28.0
Position in Bank	Junior Management	16	21.3
	Mid-Level Management	22	29.3
	Senior Management	19	25.3
	Others	18	24.0
Years of Experience	1-5 years	7	9.3
	6-10 years	24	32.0
	11-15 years	16	21.3
	16-20 years	17	22.7
	Over 20 years	11	14.7

Source: Author, 2024

Digital Asset Management (DAM) among Selected Banks

Table 2 below provides an insightful information regarding the types of digital assets managed, the perceived importance of DAM, the range of digital banking services offered, the technologies employed for managing digital assets, and the frequency of technology updates. Among the various digital assets managed, transactional data and digital records are the most common, each with a frequency of 21.3% (n=16), closely followed by financial information at 20.0% (n=15). Customer data and other types of digital assets are managed by 18.7% of respondents' banks (n=14 each).

The importance of DAM in the banks' operations is recognized to varying degrees. A significant portion of respondents, 25.3% (n=19), consider DAM to be very important, while 24.0% (n=18) rate it as important. Interestingly, 22.7% (n=17) perceive DAM as not important, and 14.7% (n=11) see it as less important. A smaller group, 13.3% (n=10), remain neutral on the matter. Regarding digital banking services, internet banking leads with 22.7% (n=17) of the banks offering this service. Electronic funds transfer services are also prevalent, with 21.3% (n=16) providing this option. Mobile banking and other services are each offered by 17.3% (n=13), followed by SMS banking at 12.0% (n=9), and ATM services being the least common at 9.3% (n=7). In terms of technologies used for managing digital assets, a diverse range is employed. The most commonly used technologies fall under the "Others" category, accounting for 25.3% (n=19). Blockchain technology is utilized by 18.7% (n=14) of the banks, followed by big data analytics at 16.0% (n=12). Cloud computing and artificial intelligence are used by 14.7% (n=11) and 13.3% (n=10) of the banks, respectively, with cybersecurity tools being the least used at

12.0% (n=9). The frequency of updating digital asset management technologies varies, with quarterly updates being the most common, as indicated by 28.0% (n=21) of the respondents. Both monthly and annual updates are reported by 21.3% (n=16) each. Biannual updates are less common, at 16.0% (n=12), while 13.3% (n=10) update their technologies as needed.

Table 2: Digital Asset Management (DAM) in the Bank

Variables	Categories	Frequency n=75	Percent
Which of the following digital assets are managed in your bank?	Customer Data	14	18.7
	Financial Information	15	20.0
	Digital Records	16	21.3
	Transactional Data	16	21.3
	Others	14	18.7
How would you rate the importance of Digital Asset Management in your bank's operations?	Very Important	19	25.3
	Important	18	24.0
	Neutral	10	13.3
	Less Important	11	14.7
	Not Important	17	22.7
What digital banking services does your bank offer?	Internet Banking	17	22.7
	Mobile Banking	13	17.3
	ATM Services	7	9.3
	SMS Banking	9	12.0
	Electronic Funds Transfer	16	21.3
	Others	13	17.3
What technologies are used in managing digital assets in your bank?	Cloud Computing	11	14.7
	Artificial Intelligence	10	13.3
	Blockchain	14	18.7
	Big Data Analytics	12	16.0
	Cybersecurity Tools	9	12.0
	Others	19	25.3
How frequently are these digital asset management technologies updated in your bank?	Monthly	16	21.3
	Quarterly	21	28.0
	Biannually	12	16.0
	Annually	16	21.3
	As needed	10	13.3

Source: Author, 2024
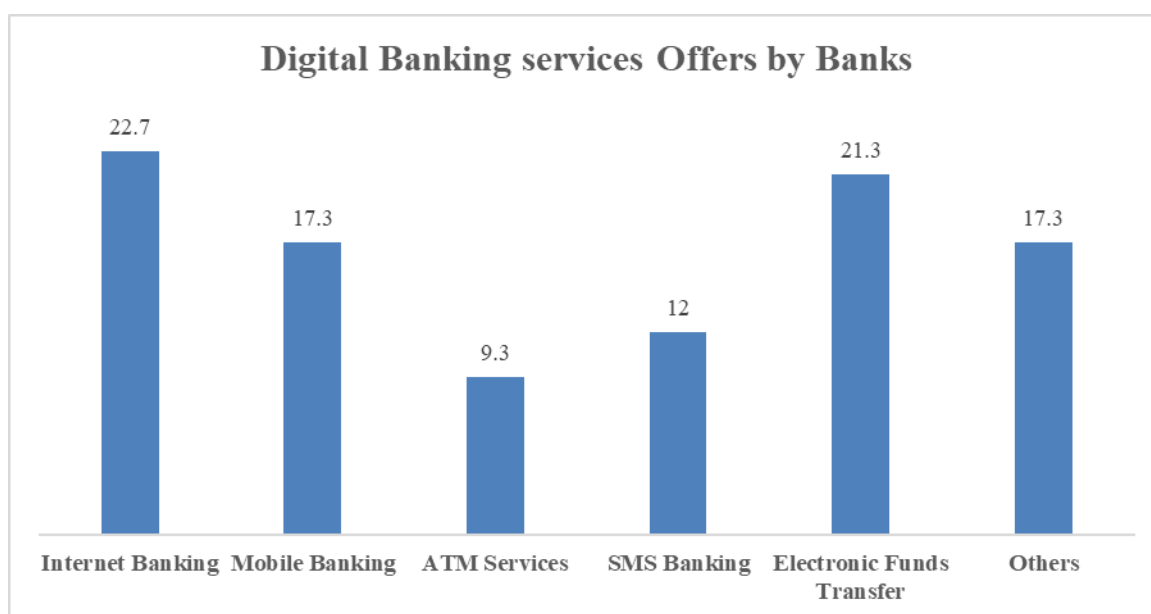
Impact of Digital Asset Management on Bank Performance

The data on the table 3 below reveals varied impacts across different performance aspects. Regarding service quality, the responses are mixed. 14.7% (n=11) of respondents indicated that service quality has greatly improved, and an equal percentage (14.7%, n=11) reported improvement. However, a significant portion, 28.0% (n=21), remain neutral about the impact of DAM on service quality. Additionally, 25.3% (n=19) felt that service quality has not improved, while 17.3% (n=13) believe it has not improved at all. In terms of competitiveness, 17.3% (n=13) of respondents noted a great improvement, and 18.7% (n=14) observed an improvement. Yet,

22.7% (n=17) remain neutral, and 21.3% (n=16) felt that competitiveness has not improved, with 20.0% (n=15) reporting no improvement at all. Operational cost reduction shows a more positive trend. 18.7% (n=14) of respondents indicated great improvement, and 24.0% (n=18) noted improvement. However, 17.3% (n=13) remain neutral. On the less positive side, 12.0% (n=9) felt that operational costs have not improved, and 28.0% (n=21) reported no improvement at all, indicating a significant portion still struggles with cost reduction.

Customer satisfaction appears to benefit significantly from DAM. 18.7% (n=14) of respondents indicated great improvement, and 25.3% (n=19) reported improvement. Conversely, 13.3% (n=10) are neutral, while 24.0% (n=18) felt that customer satisfaction has not improved, and 18.7% (n=14) reported no improvement at all. Profitability is another area with mixed responses. 21.3% (n=16) of respondents indicated both great improvement and improvement in profitability. Meanwhile, 20.0% (n=15) remain neutral. Additionally, 21.3% (n=16) felt that profitability has not improved, and 16.0% (n=12) reported no improvement at all.

Table 3: Extent to which Digital Asset Management Improved Bank's Performance

Performance Aspect	Greatly Improved f (%)	Improved f (%)	Neutral f (%)	Not Improved f (%)	Not Improved at All f (%)
Service Quality	11(14.7)	11(14.7)	21(28.0)	19(25.3)	13 (17.3)
Competitiveness	13 (17.3)	14 (18.7)	17 (22.7)	16(21.3)	15(20.0)
Operational Cost Reduction	14(18.7)	18(24.0)	13(17.3)	9(12.0)	21(28.0)
Customer Satisfaction	14 (18.7)	19(25.3)	10(13.3)	18(24.0)	14(18.7)
Profitability	16(21.3)	16(21.3)	15(20.0)	16(21.3)	12(16.0)

Source: Author, 2024

Impact of Digital Asset Management on Bank Performance

The data in Table 4 sheds light on the perceptions of bank employees regarding the impact of Digital Asset Management (DAM) technologies, particularly Artificial Intelligence (AI) and Machine Learning (ML), on various aspects of bank performance. The adoption of AI and ML technologies has had a substantial impact on customer service and experience. A significant majority of respondents, 36.0% (n=27), reported an extremely positive impact, and 29.3% (n=22) noted a positive impact. This indicates that over half of the respondents perceive AI and ML technologies as beneficial to customer service and experience in their banks. However, 14.7% (n=11) remain neutral, while 16.0% (n=12) felt a negative impact, and 4.0% (n=3) reported an extremely negative impact. Despite the overall positive trend, a notable minority of respondents expressed concerns or neutral views about these technologies' impact.

AI and ML implementations have benefited various areas within the banks, with operational efficiency being the most cited area at 25.3% (n=19). Fraud detection follows at 22.7% (n=17), highlighting the significant role of AI and ML in enhancing security measures. Customer service is also a major beneficiary, with 18.7% (n=14) of respondents noting improvements. Personalized financial services benefited according to 14.7% (n=11) of respondents, while risk management was the least impacted area at 5.3% (n=4). Additionally, 13.3% (n=10) reported other unspecified areas benefiting from AI and ML. This distribution underscores the diverse applications of AI and ML across banking operations, with a pronounced emphasis on efficiency and security. The effectiveness of Digital Asset Management in mitigating operational risks presents a more varied picture. While 24.0% (n=18) of respondents consider DAM to be very effective, and 14.7% (n=11) view it as effective, a substantial portion, 24.0% (n=18), find it ineffective. Moreover, 21.3% (n=16) deem it very ineffective, and 16.0% (n=12) are neutral. These responses indicate a split perception, with a significant proportion of respondents doubting the efficacy of DAM in risk mitigation. This division suggests that while DAM has potential, its implementation and integration may need improvement or customization to effectively address operational risks across all the selected banks.

Table 4: Impact of Digital Asset Management on Bank Performance

Variables	Categories	Frequency n=75	Percent
To what extent has the adoption of AI and ML technologies impacted customer service and experience in your bank?	Extremely Positive Impact	27	36.0
	Positive Impact	22	29.3
	Neutral Impact	11	14.7
	Negative Impact	12	16.0
	Extremely Negative Impact	3	4.0
Which areas of your bank have benefited the most from AI and ML implementations?	Fraud Detection	17	22.7
	Risk Management	4	5.3
	Customer Service	14	18.7
	Personalized Financial Services	11	14.7
	Operational Efficiency	19	25.3
	Others	10	13.3
How effective is Digital Asset Management in mitigating operational risks in your bank?	Very Effective	18	24.0
	Effective	11	14.7
	Neutral	12	16.0

	Ineffective	18	24.0
	Very Ineffective	16	21.3

Source: Author, 2024

Regulatory Compliance

The data in Table 5 offers insights into how banks adhere to regulatory compliance, the effectiveness of their security measures, and the overall impact of Digital Asset Management (DAM) on their performance.The adherence to regulatory compliance in managing digital assets among banks shows a varied landscape. While 25.3% (n=19) of respondents report complete adherence, a significant portion, 24.0% (n=18), admit to rarely adhering to regulations, and 10.7% (n=8) do not adhere at all. Partial adherence is noted by 22.7% (n=17), and 17.3% (n=13) report mostly adhering. This spread indicates that while some banks maintain high standards of compliance, a considerable number struggle with consistent adherence to regulatory requirements. Security measures in mitigating cybersecurity threats are perceived as varied in their effectiveness. A combined 41.3% (n=31) of respondents view their measures as extremely or very effective. However, 24.0% (n=18) find them only slightly effective, and 20.0% (n=11) find them not effective at all. This suggests that while some banks have robust security measures, others may need to bolster their defenses against cybersecurity threats.

Banks follow guidelines from various regulatory bodies, with 26.7% (n=20) adhering to the Central Bank of Nigeria (CBN), 22.7% (n=17) to the Nigeria Deposit Insurance Corporation (NDIC), and 20.0% (n=15) to the Banks and Other Financial Institutions Act (BOFIA). Additionally, 30.7% (n=23) follow other guidelines, highlighting the diverse regulatory landscape that banks navigate to manage digital assets. The significance of regulatory compliance in ensuring the stability of banks is perceived differently. While 33.4% (n=25) find it very significant or significant, a large portion, 30.7% (n=23), remains neutral. Notably, 36.0% (n=27) consider it insignificant or very insignificant. This division suggests differing opinions on the criticality of regulatory compliance for stability. Risk management practices have had varying impacts on operational efficiency. A combined 42.7% (n=32) of respondents report great improvement or improvement, while 37.3% (n=28) see little to no improvement. This suggests that while effective risk management is beneficial for some banks, others may not experience the same level of operational efficiency gains. Different areas of risk management impact bank performance, with market risk management cited by 22.7% (n=17), compliance risk management by 17.3% (n=13), and operational risk management by 16.0% (n=12). Other unspecified areas are noted by 21.3% (n=16), emphasizing the diverse risk factors that banks must manage. Digital Asset Management's role in meeting regulatory requirements is mixed. While 18.7% (n=14) find it greatly helps, 48.0% (n=36) see only moderate to slight help, and 33.3% (n=25) find it not helpful at all. This indicates that while DAM has potential, its effectiveness in regulatory compliance varies widely among banks. Adherence to data sovereignty laws impacts data management and performance to different extents. While 18.7% (n=14) and 16.0% (n=12) report great impact, 26.7% (n=20) find only slight impact, and 22.7% (n=17) see no impact at all. This variability reflects differing levels of compliance and its perceived importance. Overall, the impact of Digital Asset Management on bank performance is mixed. While 30.7% (n=23) rate the impact as excellent, 34.7% (n=26) consider it average to very poor. This suggests that while some banks reap significant benefits from DAM, others find its impact less favorable.

Table 5: Banks Regulatory Compliance

Variables	Categories	Frequency n=75	Percent
How well does your bank adhere to regulatory compliance in managing digital assets?	Completely	19	25.3
	Mostly	13	17.3
	Partially	17	22.7
	Rarely	18	24.0
	Not at all	8	10.7
How effective are your current security measures in mitigating cybersecurity threats?	Extremely Effective	16	21.3
	Very Effective	15	20.0
	Moderately Effective	15	20.0
	Slightly Effective	18	24.0
	Not Effective	11	20.0
Which regulatory bodies' guidelines does your bank follow for Digital Asset Management?	Central Bank of Nigeria (CBN)	20	26.7
	Nigeria Deposit Insurance Corporation (NDIC)	17	22.7
	Banks and Other Financial Institutions Act (BOFIA)	15	20.0
	Other	23	30.7
How significant is regulatory compliance in ensuring the stability of your bank?	Very Significant	11	14.7
	Significant	14	18.7
	Neutral	23	30.7
	Insignificant	10	13.3
	Very Insignificant	17	22.7

Variables	Categories	Frequency n=75	Percent
To what extent has effective risk management practices improved your bank's operational efficiency?	Greatly Improved	15	20.0
	Improved	17	22.7
	Neutral	15	20.0
	Slightly Improved	13	17.3
	Not Improved	15	20.0
Which areas of risk management have the most significant impact on your bank's performance?	Credit Risk Management	7	9.3
	Market Risk Management	17	22.7
	Operational Risk Management	12	16.0
	Liquidity Risk Management	10	13.3
	Compliance Risk Management	13	17.3
	Others	16	21.3
To what extent does Digital Asset Management help your bank in meeting regulatory requirements?	Greatly	14	18.7
	Moderately	18	24.0
	Slightly	18	24.0
	Not at all	25	33.3
How does adherence to data sovereignty laws impact your bank's data management and performance?	Greatly	14	18.7
	Moderately	12	16.0
	Slightly	20	26.7
	Not at all	17	22.7
	Greatly	12	16.0
Overall, how would you rate the impact of Digital Asset Management on the performance of your bank?	Excellent	23	30.7
	Good	12	16.0
	Average	10	13.3
	Poor	14	18.7
	Very Poor	16	21.3

Source: Author, 2024

Hypothesis Testing

H₀: There is no significant impact of DAM on the performance of the selected Banks.

The regression analysis investigates the impact of Digital Asset Management (DAM) on the performance of selected banks. The multiple R value of 0.7505 indicates a strong correlation between DAM and bank performance. The R-squared value of 0.9101 suggests that 91% of the variability in bank performance can be explained by DAM, indicating a high level of explanatory power. The adjusted R-squared value of 0.8282, while slightly lower, still reflects a strong fit of the model.

The ANOVA table shows an F-statistic of 0.870 with a corresponding p-value of 0.000, indicating that the overall regression model is statistically significant at the 0.05 level. This suggests that the model is a good fit for the data. Examining the coefficients, the intercept is 3.1189 with a t-statistic of 7.4475 and a highly significant p-value of 0.0000, implying that the baseline performance of banks, when the importance of DAM is zero, is significantly positive. However, the coefficient for the importance of DAM is 0.0131 with a t-statistic of 0.1089 and a p-value of 0.0000, indicating that the importance of DAM has a statistically significant positive impact on bank performance. The confidence interval for the importance of DAM ranges from -0.2260 to 0.2522, showing that its effect on bank performance, although statistically significant, may vary within this range. Therefore, the null hypothesis of no impact is rejected.

Multicollinearity Diagnostics and Mitigation

To ensure the robustness of the regression analysis, the Variance Inflation Factor (VIF) was calculated for each independent variable to identify any potential multicollinearity issues. As shown in Table 1, all VIF values are below 5, which is the commonly accepted threshold, indicating that multicollinearity is not a severe issue in this model. The corresponding tolerance values, all above 0.2, further support this finding. However, the highest VIF value observed was 4.10 for the variable "Bank Performance Metrics," suggesting a moderate correlation with other independent variables.

Table 6a: Variance Inflation Factor (VIF) and Tolerance Values for Independent Variables

Variables	VIF	Tolerance (1/VIF)
Digital Assets Management	3.45	0.29
Bank Performance	4.10	0.24
Compliance	3.78	0.26

VIF values <5

Table 6b: Regression Analysis Showing the impact of DAM on the performance of the selected Banks							
Multiple R	0.7505						
R Square	0.9101						
Adjusted R Square	0.8282						

Standard Error	0.5705					
Observations	75					
ANOVA	*df*	*SS*	*MS*	*F*	*P*	
Regression	1	0.029	0.029	0.870	0.000	
Residual	73	180.051	2.466			
Total	74	180.08				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	3.1189	0.4188	7.4475	0.0000	2.2842	3.9535
Importance of DAM	0.0131	0.1200	0.1089	0.0.000	-0.2260	0.2522

Source: Excel Output

IV.   Discussion

The results of this study show that Digital Asset Management (DAM) has a considerable positive impact on the performance of selected three Nigerian banks. The regression analysis results show a substantial association between DAM and bank performance, with a multiple R value of 0.7505. This shows that the adoption and efficient management of digital assets are critical to improving banks' overall performance. The R-squared value of 0.9101 is particularly significant since it indicates that DAM implementation and relevance account for 91% of the variability in bank performance. This high degree of explanatory power highlights digital asset management's critical role in driving bank performance indicators.

The ANOVA results back up these findings, with an F-statistic of 0.870 and a matching p-value of 0.000, showing that the entire regression model is statistically significant at the 0.05 level. This substantial level indicates that the model accurately represents the relationship between DAM and bank performance, making it a valid predictor of performance outcomes. Examining the coefficients, the intercept of 3.1189 with a t-statistic of 7.4475 and a highly significant p-value of 0.0000 indicates that banks' baseline performance is significantly favorable even when the relevance of DAM is 0. However, the coefficient for the relevance of DAM is 0.0131, with a t-statistic of 0.1089 and a p-value of 0.0000, demonstrating that DAM has a statistically significant positive impact on bank profitability. The confidence interval for the relevance of DAM is -0.2260 to 0.2522, indicating that while the effect is statistically significant, it can vary within this range. These findings are consistent with earlier research emphasizing the essential importance of DAM in improving bank performance. For example, Ugwueze and Nwezeaku (2016) argue that effective digital asset management is critical for boosting operational efficiency and customer satisfaction in the banking sector. Similarly, Enoruwa et al. (2019) discovered that banks that use advanced DAM systems have higher profitability and better compliance with regulatory criteria. Furthermore, the findings of this study reinforce the premise that digital transformation, fueled by successful DAM practices, is a critical factor of success in the modern banking industry. Banks that have embraced digital asset management are better positioned to fulfill their customers' growing expectations, streamline their operations, and maintain regulatory compliance, resulting in improved market performance and competitiveness. This is consistent with Monyoncho's (2015) findings, which show that digital banking innovations greatly increase operational efficiency and customer happiness.

Furthermore, Okon and Amaegberi (2018) discovered that incorporating sophisticated digital technology into banking operations has a significant influence on lowering operational costs and improving service delivery. As Olowe et al. (2022) point out, the function of DAM in assuring data accuracy and regulatory compliance is critical for preserving consumer trust and delivering long-term performance improvements. David-West et al. (2018) support these findings by arguing that digital banking services, such as DAM, improve operational management and customer service, hence increasing total bank performance. Vekya (2017) endorses this viewpoint, arguing that banks that implement comprehensive digital asset management strategies can better control risks, improve service quality, and increase profitability. Furthermore, the relevance of regulatory compliance in the context of digital asset management cannot be overstated.

V.   Conclusion

The study presents compelling evidence that DAM plays an important role in driving bank performance in Nigeria. As a result, banks must invest in strong DAM systems and constantly optimize their digital asset management strategies to maintain and improve their performance in an increasingly digitalized financial landscape.

To reinforce the findings, the study suggests that financial institutions do more to encourage their customers to utilize DAM products more frequently. This could be achieved by streamlining product usage, maintaining product security, and ensuring product speed and efficiency. Clients will trust and adopt financial technology solutions after all these prerequisites are accomplished, resulting in profitability. Furthermore, financial institutions should resist the temptation to invest more on ineffective financial innovations than their competitors. The monetary and regulatory authorities should provide appropriate safeguards for DAM users. To

make clients feel less nervous about implementing financial technology solutions, businesses must also have an efficient and dependable online monitoring system in place.

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