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THE IMPACT OF BANKING DIGITALIZATION ON OPERATIONAL AND FINANCIAL PERFORMANCE: EVIDENCE FROM THE ROMANIAN BANKING SYSTEM

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Abstract

This study examines banking digitalization in Romania and Raiffeisen Bank Romania (2020–2025), combining sector-level statistics with financial and operational indicators. Digital customers increased to over 1.81 million, while the cost-to-income ratio declined from 54% to 43%. The evidence associates digital adoption with improved operating efficiency, stronger profitability and a smaller physical branch network.

• Introduction

- Digital banking is reshaping customer interactions and internal processes through mobile platforms, automation and data-driven services. This research evaluates how these changes relate to bank efficiency and financial performance in Romania.

• Material and method

Quantitative time-series and comparative case-study analysis for 2020–2025. Sources: National Bank of Romania, Eurostat and Raiffeisen Bank annual reports. Indicators include digital users, cost-to-income ratio, branch network, assets, operating income and net profit.

• Results and discussions

Raiffeisen Bank's active digital users rose from 870,000 to over 1.81 million (+108.16%). Its cost-to-income ratio fell by 11 percentage points; branches decreased from 333 to 266 (−20.12%). Operating income increased by 72.36% and net profit by 175.51%. These concurrent trends indicate improved scalability, although they do not alone establish causality.

• Conclusions

Digital adoption accompanied substantial efficiency and profitability gains. Banks should strengthen cyber resilience, support financial inclusion and retain human advice for complex services. An omnichannel strategy balances automation with customer trust.

FROM DIGITAL ADOPTION TO FINANCIAL PERFORMANCE

ROMANIAN BANKING SECTOR | 2021–2025

Internet banking adoption: 15.49% → 30.97%
Payment cards in circulation: +46.07%
POS terminals installed: +145.79%
Card payment transactions: +93.52%*

RAIFFEISEN BANK | 2020–2025

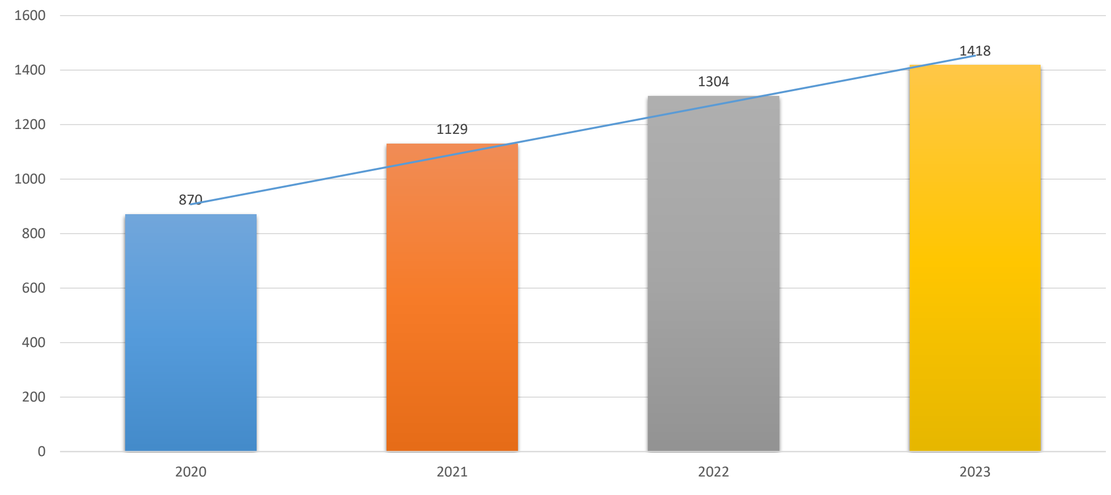
Active digital customers: 0.87m → over 1.81m
Phoysical branches: 333 → 266
Total assets: +71.26%
Operating income: +72.36%

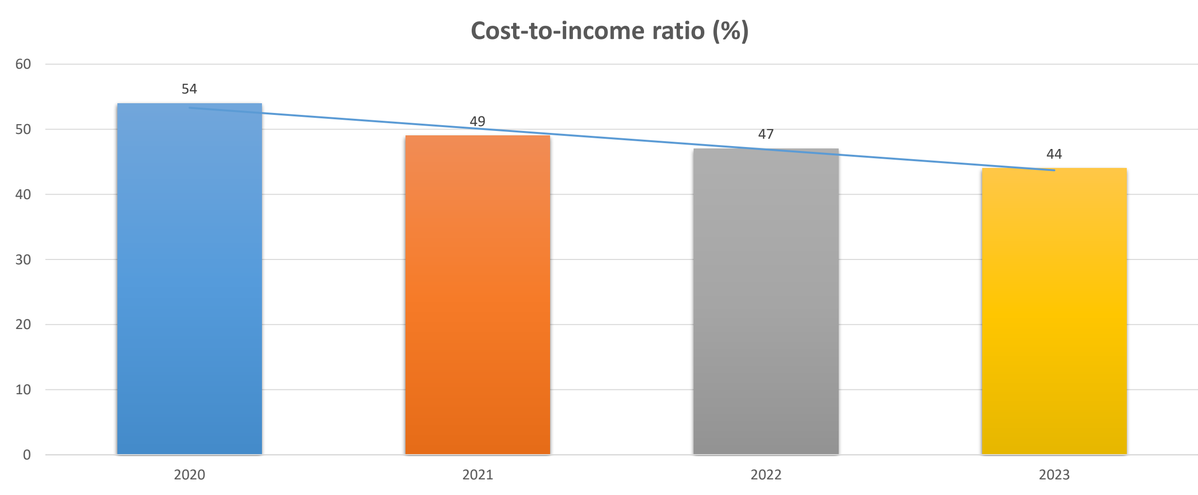
*Card payment growth is measured over 2022–2025. Source: study tables and cited NBR, Eurostat and Raiffeisen annual reports.

KEY EMPIRICAL FINDINGS | RAIFFEISEN BANK ROMANIA

+108.16%	−11 p.p.	+175.51%	−20.12%
Active digital customers	Cost-to-income ratio	Net profit	Physical branches

DIGITALIZATION AND OPERATIONAL EFFICIENCY | 2020–2023





Acknowledgement: Research based on NBR, Eurostat and Raiffeisen Bank Romania annual reports (2020–2025).