

**MOBILE BANKING SERVICES AND FINANCIAL PERFORMANCE OF FINANCIAL
INSTITUTIONS IN EASTERN UGANDA, A CASE STUDY OF EQUITY BANK (LTD), MBALE
BRANCH**

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**UGANDA CHRISTIAN
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DECLARATION

I, **Kulsum Kagoya**, declare that this dissertation is my own effort and has not been presented to any College or University for any award of a master's degree in Business Administration.

A photograph of a handwritten signature in black ink on a light-colored surface. The signature is cursive and appears to read 'Kulsum Kagoya'.

Sign.....

Date2: 4th-09-2024

Kulsum Kagoya (Student)

APPROVAL

This study entitled 'mobile banking services and financial performance of financial institutions in Uganda, a case study of equity bank (LTD) in eastern Uganda' was written under my guidance and supervision and will be submitted with my approval.



Signature:

Date:24th-09-2024.....

Mr. Maena Daniel

(Supervisor Uganda Christian University)

DEDICATION

This thesis is dedicated to my supervisor, My parents especially My mum Hadijah Naigwe and my beloved husband Mr.Mugisha Chrispas who are a reason for my living and hard work. May the Living God Bless You!

ACKNOWLEDGEMENT

I would like to thank the almighty God for enabling me to complete this thesis successfully. Special thanks go to my family for all the support they have given me during my studies.

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LIST OF ACRONYMS AND ABBREVIATIONS

CGAP.....	Consultative group to assist the poor
MTN.....	Mobile Telephone network
SACCOs.....	Savings and credit cooperative organization s
UK.....	United Kingdom
UNCTAD.....	United nations conference on trade and development
URA.....	Uganda Revenue Authority

ABSTRACT

The study investigated the effect of mobile banking services on financial performance of banks in Uganda focusing on Equity Bank as a case. The study undertook three objectives; to establish the effect of mobile financial information services, mobile transfer and mobile deposits on financial performance of equity bank, Mbale Branch. The study adopted a cross sectional design triangulating both quantitative and qualitative approaches. A population size of 50 was targeted where a sample size of 44 respondents was drawn from it. Data was collected using both interviews and questionnaires while the analysis involved the mixed approach. Qualitative data was analyzed using the induction method using thematic approach while quantitative data was analyzed by use of SPSS. The latter involved use of descriptive followed by inferential statistics. Results of the study found the existence of a positive significant relationship between mobile financial information services and financial performance ($r=0.501$; $P=0.000$). Results also found the existence of a positive significant relationship between mobile transfer and financial performance ($r=0.619$; $P=0.000$). Also results revealed the existence of a positive and significant effect of mobile deposit and financial performance ($r=0.663$; $P=0.000$). Multiple regression results indicated that all the three variables accounted for 55.5% of financial performance while the remaining 44.2% was attributed to other factors. Of the three variables, standardized coefficients regression results revealed that mobile transfers was the most significant predictor of financial performance ($\beta=0.351$) followed by mobile deposits ($\beta=0.295$) and lastly mobile financial information services ($\beta=0.290$). The study recommended that management and the leadership of financial institutions in eastern Uganda such as Equity Bank should conduct mobile banking services if they have to improve their financial performance levels.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The banking industry is undergoing rapid change due to advancements in technology. One of the noticeable changes is mobile banking services. Mwange (2011) argues that the way banks were operating has changed with the introduction of mobile banking services hence technology is now considered as one of the main factors contributing to the organizations' success. Today people do not have to move physically to banking halls in order to engage in banking services as it was in the past (Owens, 2009). Mobile banking services has been embraced by almost all banks, and telecommunication (telecom) companies and this has led to partnerships between banks and telecom companies in Uganda. Many benefits such as speed, convenience, and cost effectiveness have been brought about by mobile banking services. This study, therefore, focused on investigation the effect of mobile banking services on financial performance of banks in Uganda focusing on Equity Bank as a case study.

The independent variable in the study was 'Mobile Banking Services' and the dependent variable was 'Financial Performance'. The independent variable was operationalized into; 'Mobile Financial Information Services', 'Mobile Transfers and Receipts', and 'Mobile Deposits, while the dependent variable was operationalized into; 'Return on Assets', 'Return on Equity', and 'liquidity'.

This chapter presents the background of the study which included the historical, theoretical, conceptual, and contextual backgrounds. The chapter also presents the, statement of the problem, purpose, objectives, research questions, scope, significance of the study, justification of the study, and the operational definition of terms and concepts.

1.1 Background to the study

1.1.1 Historical Perspective

Performance can be traced back towards the end of the 18th Century (Robbins & Coutler, 1996). During that time, influential people like Adam Smith exposed the weaknesses of the ‘laissez-faire’ system and this helped push the industrial revolutionists realize the need for state intervention. This paved way for management in industry and business to be reflected in the political statements that will be made. In order to evaluate staff productivity, performance rates was introduced in the early 1920s (Armstrong and Baron, 1998). The process of improving performance continued through the mid-19th century particularly in 1957 with the likes of McGregor (1957) where focus was shifted around personality traits of the individuals. According to Mohamed (2008) the golden age (1929-32) was the age of unionism, legislature and courts supporting the plea of organized labor and the working class. Managers had to quickly move their attention from being mere task oriented to also trying to understand the need of the employees and how they can conduct work in a smoother manner.

The history of banking dates back to the earliest civilizations in Italy, Egypt and the Middle East, in this thesis however began from the customer-driven era. It was during the 1950s that retail banks started shifting their focus from producing and selling only, to a more customer-driven business model (Omarini, 2018). The ever-increasing competition attracted the use of correct marketing strategies and banks started offering various products to target new customer groups (Omarini, 2021). At that time, banks were also one of the early adopters of computers.

In 1954, Bank of America purchased the first computer; the UNIVAC-1, a machine capable of reading 12,000 characters per second; an acquisition that signaled the beginning of more efficient delivery of financial services (Arslanian and Fischer, 2019). During the 1960s, retail banking in many European countries started shifting towards product quality. Factors like fierce competition, new regulations and

technology advances were the main drivers of this evolution. The services and products provided were broadened, the quality was improved, and the delivery channels used for the delivery of services were expanded to reach more customers (Omarini, 2021). At the start of 1980, banks started offering new services in a completely different dimension. They started cooperating with insurance companies to provide customers with new financial services. The main goal of this cooperation was the expansion towards a more significant market share. By the 1990s, most western countries were providing a much more comprehensive range of services as a result of the merges that occurred. Around the end of the 1990s, the banking sector faced a new kind of competitions based on the significant technological advances (Omarini, 2021).

Mobile banking services is currently estimated at 38% across the Europe and North America, with relative annual growth (KPMG, 2021). With United Kingdom (UK) leading the trend across Europe, the average adoption rate of mobile banking services remains at 38%. This percentage is a low adoption rate with the high smartphone proliferation in Europe. In terms of mobile and internet banking, UK has a grown market as most of these were started eight years ago.

The beginning of mobile banking services in Africa can be traced back to 2020 with innovations from the telecom companies. It started in South Africa with the customer base increasing by 3.8% from 2020 to over 51.9 million by end of March 2009 (Africa Economic Brief, 2023). Mobile banking services became common as mode of payment for services and an account for storage of electronic money that would be used at any time. Money transfers become easy to and from areas where physical banks with immediate notifications about the receipting of the money and this will be instrumental in its popularity (Laukkanen and Lauronen, 2005). According to Apati (2011), Safaricom in Kenya with the drive for financial inclusion through key innovations like M-PESA and

other nations in Africa adopting different mobile platforms, has led to the development of a completely new kind of banking.

Today, the Government of Uganda through its Central bank regulates the financial sector where 90% of financial services are provided by the private sector. However, decades ago, the government through cooperative societies started the process of bringing its citizens to the financial world. These have since been decentralized and are managed by different small groups in form of Savings and Credit Cooperative Organizations (SACCOs) to ease the process of borrowing money from government or financial institutions. The main focus of the financial integration is to achieve increased performance, especially on access to affordable financial services by citizens and for players in the private sector.

However, MTN Uganda started a service called ‘Mobile Money’ where a customer would transfer or receive money electronically from another customer. MTN Uganda in collaboration with Stanbic Bank Uganda started this service in 2009 and since then, a total of seven mobile money platforms have been launched in Uganda i.e. MTN Mobile money, Airtel Money, Orange money (Currently Africell Money), MCash, Ezeemoney, M-Sente and Payway all partnering with different commercial banks in order to embrace financial inclusion. (Uganda Bankers Association, 2022).

Mobile banking services was adopted by Equity Bank, the case for this study at the end of 2013 as Cente Mobile. This was to allow Equity Bank clients to access their bank accounts for balance checks, statements among others on the go. Customers would also pay for utilities and buy mobile credit (Equity Bank, 2023).

1.1.2 Theoretical Perspective

This study about the effect of mobile banking services and financial performance of banks in Uganda was based on the ‘Excellence theory’ which was developed by Grunig (1992). This theory evolved

from four approaches: Goal attainment, Systems, Competing Values, and Strategic Constituencies approaches. The Strategic Constituencies approach therefore is useful in understanding the effect of mobile banking services on financial performance of financial institutions in Eastern Uganda since it emphasizes the need to establish factors that affect organizational effectiveness and efficiency. The study was based on this theory to establish how the specific dimensions of mobile banking services affect financial performance, specifically for commercial banks in Uganda.

According to the Strategic Constituencies Approach, Equity Bank survives in the financial sector by fulfilling the demands of its stakeholders for its efficiency. The approach is useful since Equity Bank is highly responsive to the customers' demands and all other stakeholders for effectiveness. Equity Bank also aims at many goals to cater for the interests of the different constituents in its environment thus concurring with the Strategic Constituencies Approach. The Competing Values Approach is useful in covering the gap between Strategic Constituencies and Equity Bank's goals as the bank must integrate strategic constituencies' value with its goals for it to attain the most valuable goals to its strategic constituencies.

According to Goal Attainment Approach, Equity Bank can be effective when it meets its goals; this is useful in assessing the financial performance of financial institutions in Eastern Uganda in relation to mobile banking services strategy.

With the Systems Approach, Equity Bank can be effective if there's a mutual connection between the bank and the environment in which it operates (Von Bertalanffy, 1969).

The environment changes rapidly today and this makes organizational goals change daily. Thus, picking out the strategic constituencies from their environment becomes challenging. For this case, the different stakeholders use different criteria to rate the effectiveness of Equity Bank. There is little

consensus on how organizations are effective and the best way to measure effectiveness both theoretically and empirically.

1.1.3 Conceptual Perspective

Mobile banking services entails the use of mobile gadgets or internet while performing money transactions electronically. Physical money is in most cases converted into electronic money (e-money) through the banks as the mobile network operators have escrow accounts with the banks where physical cash is deposited and the bank sends it electronically in return. Mobile banking services is the use of mobile gadgets or internet while performing money transactions electronically. Physical money is converted into electronic money (e-money) through the banks as the mobile network operators have escrow accounts with the banks where physical cash is deposited and the bank sends it electronically in return. The mobile account is a virtual account associated to a mobile telecom operator that can be used to keep, receive and transfer monetary value from other mobile accounts such as agents or banks. Through mobile banking services, customers are able to check their account balances, request for transaction statements/mini statements, do forex inquiries, receive or transfer funds among other services. The use of mobiles phones and Personal Digital Assistants (PDAs) to access banking facilities and services is also referred to as mobile banking services (Porteous, 2021). Mobile banking services is a transaction that is started and/or completed by use of an electronic device to sale goods and services or carry out any financial service related to the bank (Tiwari, Herstatt and Buse, 2021).

Financial performance is the subjective and quantitative measure of the attainment of a set goal measured against the costs, returns, level of completeness and convenience (Ngari, &Muiruri, 2014). Financial performance can be determined through profitability, return on assets and return in equity (Mureithi, 2013). Income statements measure financial performance since they provide the necessary data for calculating different kinds of ratio analysis (Madura, 2020).

Return on assets; This indicates how profitable a company is relative to its total assets the return in assets (ROA) ratio illustrates how well management is employing the company's total assets to make a profit (Ogbodo, Amahalu, & Abiahu (2017). The higher the return, the more efficient management is in utilizing its asset base. The ROA ratio is calculated by comparing net income to average total assets, and is expressed as a percentage.

Liquidity refers the amount of cash a company can put its hands on quickly to settle its debts (and possibly to meet other unforeseen demands for cash payments too). Finance managers have to take various types of financial decisions like investment decision, finance decision, liquidity decision and dividend decision, in different times. In every area of financial management, the finance managers are always faced with the dilemma of liquidity and profitability, hence have to strike a balance between the two, (Eljelly, 2004).

1.1.4 Contextual Background

Mobile banking services in Uganda has matured profoundly as one of the ways to improve financial inclusion. With the high adoption of mobile phones in Uganda, over 40% of the population has access to mobile money accounts as most of the telecoms offer the services due to its profitability. Mobile money transactions totaled to Uganda shillings 32.5 trillion (US \$ 9.76 billion) in 2021, an increase of 35% from 2021 (Uganda Communications Commission report, 2021). Mobile money has become a key revenue stream for the government through taxes.

Bank of Uganda projects that in the near future, mobile banking services is key to the national payment system, and this calls for tighter regulation. A Uganda central bank report indicates that the mobile banking services industry is competing with mainstream financial service providers like banks. In fact, the Uganda Communications Commission, 2019 annual and industry report indicates that mobile money accounts grew by 0.4 million as at the end of 2019 from the previous year. As a

result, the annual monetary value transacted through mobile money totaled to Uganda shillings 43.8 trillion in 2019, up from Uganda shillings 32.7 trillion in 2021. This shows that the amount of money transacted increased significantly compared to the increase in the number of mobile money lines and this can only be explained by improved usage of mobile financial services such as mobile banking services.

The financial services sector in Uganda is dominated by the banking sector much as it also has Insurance, Microfinance and investments sectors. According to the Financial Institutions Act, 2022, the Bank of Uganda supervises the entire financial sector and monitors the capital requirements.

According to the Bank of Uganda (2019), Uganda has 25 licensed commercial banks of which 19 have embraced mobile banking services through partnering with different mobile network operators. Only 38 percent of Uganda's population is banked or can access financial services while 62 percent remain unbanked (Johnson and Nino-Zarazua, 2020).

Equity Bank Ltd, the case for this study started as a credit trust with the aim of developing the rural people. Equity Bank later become a commercial bank in 1993 and today it is ranked among the top 4 commercial banks in Uganda with over 1.4 million account holders. The bank has recently adopted mobile banking services through Cente Mobile to improve on the already existing infrastructure across the country to serve its customers that is 69 branches and 172 Automated Teller Machines (ATMs) (Equity bank annual report, 2019). Equity bank was chosen for this study because it is one of the few indigenous banks in Uganda and since this study is based on the Uganda context it would befitting to focus on an indigenous case. Also, Equity Bank is one of the banks that have embraced creating financial services and products that are in line with the interests of the ordinary people in Uganda. Thus, it would be most appropriate to understand how Mobile banking services is affecting

the financial performance of financial institutions in Eastern Uganda by looking at a truly indigenous case of a bank.

While majority of Equity Bank customers transact physically within the banking hall, the bank is realizing an increasing number of its customers embracing its mobile banking services, especially through online platforms and the use of telecom lines. Many users of its online banking platform making it slow and sometimes unreliable are increasingly overwhelming the bank. (FinScope Survey, 2013)

1.2 Statement of the problem

Commercial Banks in Uganda should achieve targeted financial performance levels through strategies that focus on effectiveness and efficiency (Bank of Uganda, 2019). This is because it offers investors and creditors safety, health and profitability of their investments and this helps in predicting the future performance too (Kenton, 2018). Indeed financial institutions like Equity Bank have made inroads towards the investment in ICT as a way of enhancing mobile Banking services solutions. For instance this has been undertaken to enhance the use of mobile money services as it lowers the cost of financial transactions (Wieser, Bruhn, Kizinger, Rucktescheler & Heitmann, 2019). This resonates with Bank of Uganda report which indicated that due high costs of operation, commercial Banks reduced from 573 in 2015 to 570 in 2016 (Twaha, 2017). But despite the use of ICT and other interventions, the problems of low financial performance still persist in most banks in Uganda. And even then the performance of banks has reduced from ushs. 60.82 billion to ushs. 39.8 billion. This is reflected on returns on assets, equity and the liquidity. Further the liquidity ratio has reduced from ushs. 1.74 billion to ushs. 0.5 billion. With mobile financial inclusion at 35%, conventional bank accounts at 11% and nonbank financial institution (NBFIs) accounts at 6% (Financial Inclusion report, 2021), if mobile banking

services in terms of mobile financial information services, mobile transfers and receipts, and mobile deposits and withdrawals are not addressed, financial performance of financial institutions in Eastern Uganda may not improve as desired (Ainebyona & Rutaro, 2022). This is evident as the active bank accounts have continuously remained stagnant at ushs. 6 million over the years as the mobile money accounts have flourished to over 21 million active as of 2021. So, this study was undertaken to investigate the effect of mobile banking services on financial performance, and therefore this study will assist banks better understand and address this problem to enable achievement of financial performance targets.

1.3 Objectives of the study

1.3.1 General Objective

The purpose of the study was to investigate the effect of mobile banking services on financial performance of financial institutions in Eastern Uganda with particular focus on Equity Bank as a case.

1.3.2 Specific Objectives

This study focused on the following specific objectives

- i. To establish the effect of mobile financial information services on financial performance of financial institutions in Eastern Uganda
- ii. To assess the effect of Mobile transfer on financial performance of financial institutions in Eastern Uganda
- iii. To examine the effect of mobile deposits on financial performance of financial institutions in Eastern Uganda

1.4 Research Questions

The research was guided by the following research questions

- i. What is the effect of mobile financial information services on financial performance of financial institutions in Eastern Uganda?
- ii. What is the effect of mobile transfers on financial performance of financial institutions in Eastern Uganda?
- iii. What is the effect of mobile deposits on financial performance of financial institutions in Eastern Uganda?

1.5 Significance of study

The study will be important to policy makers based on the findings, conclusions and recommendations such that guidelines may be implemented and perhaps pave way for the development of new ones that support the contextual factors of mobile banking services and how it influences Performance financial institutions.

Secondly, the study will be useful to the leadership and management of financial institutions such as Equity devise ways to promote mobile banking services in order to stay in the competitive digital world and also improve the performance of financial institutions.

Lastly, the study will be significant towards the researchers especially interested in the area of mobile banking services and how they influence performance of financial institutions. The outcomes of this specific study may prompt other researchers to undertake more in-depth studies in relation to this study.

1.6 Justification of the study

Customers are central to any business yet banks in Uganda are overwhelmed by competition from mobile banking services by the various telecom companies. This study is justified because it will address the information gap about how mobile banking services have affected financial performance of financial institutions in Eastern Uganda, specifically Equity Bank. Thus, this study on the effect of mobile banking services on financial performance of financial institutions in Eastern Uganda was needed since banks can use its findings and conclusions to reposition themselves as far as wining and maintaining customers is concerned.

1.7 Conceptual Framework

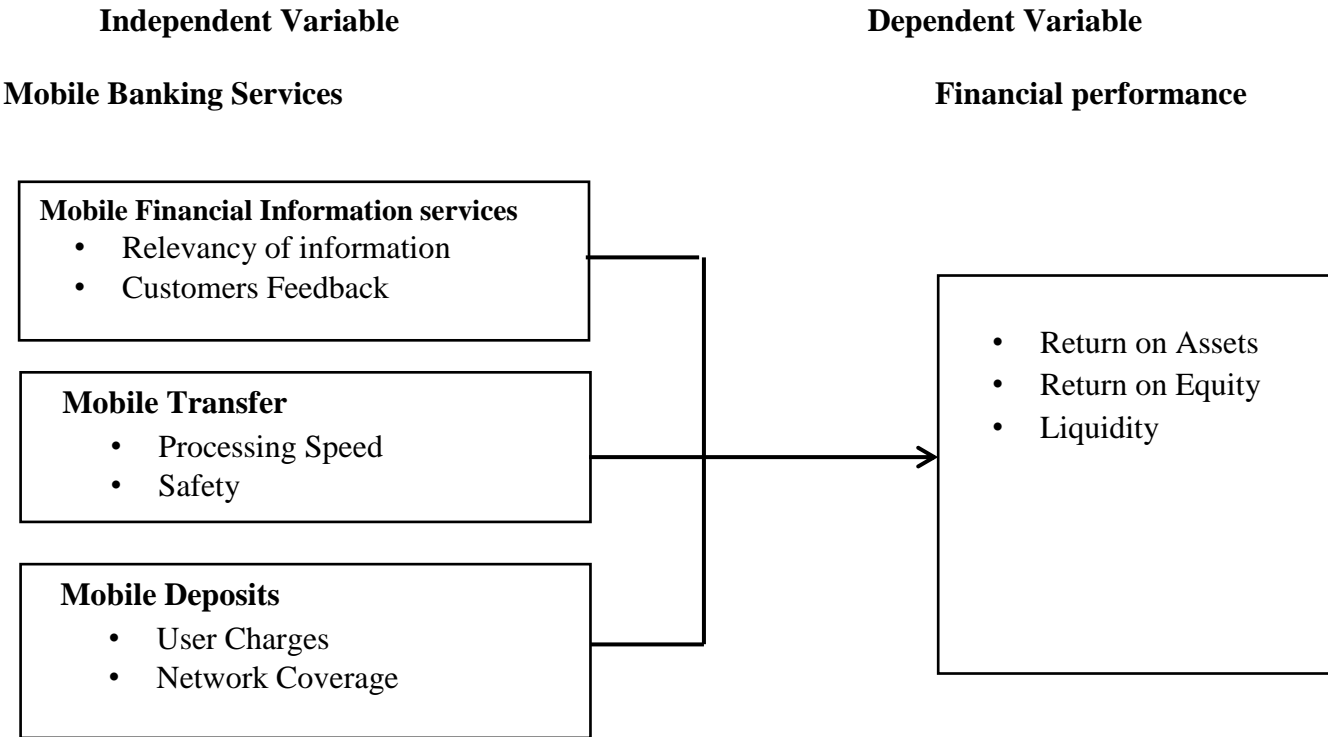


Figure 1: A logical framework for mobile banking and financial performance

Source: Adopted from Literature (Kiprop, 2018) and modified by the researcher 2024.

The figure above shows two variables; Independent Variable (mobile banking services) and Dependent Variable (financial performance). Mobile banking services was conceptualized into constructs namely:

mobile financial information, mobile transfer and mobile deposit. The study was carried out with the presumption that there is an association between mobile banking services and financial performance, denoting that financial performance invariably depends on the efficacy of mobile banking services. This means that if for example mobile financial information, mobile transfer and mobile deposit are deemed favorable, the positive financial performance are realized. In this study, financial performance was measured by return on assets, return on equity and liquidity.

1.8. Scope of the study

1.8.1. Content scope

The study specifically focused on mobile Banking services which was broken down as mobile financial information services, Mobile transfers and mobile deposits independent variables and financial performance as the dependent variable measured as return on assets, return on equity and liquidity.

1.8.2. Geographical Scope

The study was carried at Equity Bank Mbale Branch in Mbale city which is located in eastern Uganda in the Bugisu Sub region. The city lies within Mbale district and it borders the districts of Manafwa, Tororo, Butaleja, Budaka, Palisa, Bukdea and Sironko.

1.8.3. Time scope

The study was restricted to a period of 11 years from 2013 a time when the Equity Bank adopted mobile banking services to 2024 a period long enough to ascertain variations regarding the response towards mobile banking services.

1.9. Definition of operational Terms

Mobile Banking services: In this study, this was defined as mobile money financial information services, mobile transfer and mobile deposits.

Mobile Financial Information Services: This was defined as Relevancy of information and Customers Feedback

Mobile transfers: In this study, this was defined as Processing Speed and Safety

Mobile Financial Information Services: This was used to mean avenues put in place by

Mobile Deposits: In this study, this was defined as user Charges and network coverage

Financial performance: In this study this was defined as Return on Assets, Return on Equity and Liquidity

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature in line with the study objectives. The purpose of the review was to highlight the works of different authors on the study area and bring out research gaps. The sources of literature used comprised of; books, journals, internet, research dissertations that already exist and reports from researches, official reports, acts and regulations and other officially available documents. This section presented the theoretical review and summary of literature.

2.2 Empirical Review

2.2.1 Mobile Financial Information Services and Financial Performance of financial institutions in Eastern Uganda

According to World Bank Report (2013), financial information systems used for financial data analysis during financial planning and decision-making aid the provision of mobile information services. Firms like banks for this case use financial information and decision support systems to attain financial objectives as resources are minimized compared to a predetermined margin of safety. The mobile financial information services offered by the bank to its clientele base are determined by the nature of the bank's financial information system.

Mobile phone usage in Africa has become vital in bridging the gap between the unbanked populations and the mainstream financial systems. Much as mobile phone penetration promotes the saving culture at individual level, it has also enables banks realize their desired financial performance through provision of mobile financial services to its clients. Access to mobile financial services improves the rate and ease of transacting using mobile devices thus growing the saving culture as

well. Usage of mobile phones and internet banking encourages savings on mobile accounts and bank accounts linked to telecom sim card. Thus, to the poor and low-income earners with limited access to formal financial services, strengthening the area of mobile phone financial services is a way of enhancing saving skills (Cull, et. al., 2022).

One of the easiest possible ways to bring the most of Africa's population that does not have a bank account to the financial system is by embracing mobile banking services. This has been possible in rural Kenya where the number that could access a financial account grew by over 33 percent between 2011 and 2022 mainly because of mobile banking services adoption. In Kenya, financial inclusion grew by more than 200% in three years among the unbanked with over 63 percent having a financial account by 2022, and this automatically led to improved financial performance of financial institutions in Eastern Uganda.

Mobile banking services reduces the time and cost of bringing financial services to the furthest population than investing in physical structures as it is the case in formal banking. This is slowly bringing the unbanked population into the financial system thus also giving business to the banks. According to Rosengard (2019), 19 million users now send 15 billion Kenyan shillings in remittances daily (US \$ 150 million) and Kenya's population with access to a financial account is more than double that of other sub-Saharan African countries and almost triples the typical rate in low-income countries worldwide.

2.2.2 Mobile Transfers and Financial Performance of financial institutions in Eastern Uganda

Over two billion people in developing countries around the world face challenges to tasks as simple as receiving wages or sending money to family members. Without access to banking services, their finances are unstable because they don't have a good way to save for the future or borrow in times of

need (Rosengard, 2019). The adoption of mobile banking services in Europe, mobile banking services would ease the person to person transactions, avail electronic transaction records at any time, make bill payment simplified and reduction of banks productivity within the locality. According to Porteous (2019), most of the unbanked people in Washington DC was unbanked mainly because of unemployment as many believed formal employment was a requirement to have an account.

The mobile transfer refers to the money transfer system that allows individuals to send and receive money to and from mobile networks within and outside the country. Mobile money system has become the cheapest means of financial transaction among the populace that allows individuals to effectively send and receive cash. The system necessitates the receiver to visit and extract cash from an agent with an e-float of the sender's service provider, for funds to be routed back to the sender. Meanwhile Aker & Mbiti, (2010) noted that while mobile money does not offer all the advantages of services rendered by the traditional banking system such as the interest on savings, credit and insurance, on the value saved on the mobile account, it equally provides the services of transferring cash to other mobile money accounts using interoperability systems. Mobile technology supports product and service delivery for energy, water, and sanitation in many ways and, in recent years, mobile money itself has been used to improve the efficiency of bill payments and to offer pay-as-you-go products (GSM, 2019). This report further indicates the various benefits of mobile money bill payment which include; increased service affordability, improved user experience, convenience, financial inclusion and build credit history. Some service providers have stated that they can bear the cost for their customers remitting dues via mobile money because it affords them a cheaper avenue to collect dues from customers on a regular basis. National Water and Sewerage Corporation in Uganda, scrapped all of their cash collection centres and resorted to using banks and mobile money as the only ways for users to pay their bills.

Bangens and Soderberg (2015) assessed the role of mobile banking services and its potential to provide basic banking services to the vast majority of people in sub-Saharan Africa. According to Bangens and Soderberg (2020) mobile banking services has facilitated financial transactions and remittance of funds and that mobile banking services has enhanced the operations and competitiveness of Mobile Money Agencies. Mrindoko (2022) noted that mobile money microcredit had a positive impact on the financial performance and those most mobile money agents and customers argued that mobile money enable them to reduce operating costs. Likewise, Donner and Escobari (2010) contend that mobile phones have played an important role. Mobile banking services has enabled mobile money agents to increase their sales thereby leading to improved performance. Bangens and Soderberg (2010), propound that with the help of mobile money transfers mobile money agents can significantly reduce their operating costs and can improve on their performance. Jensens (2007) lays emphasis on the fact that mobile phone financial transactions assist mobile money agencies in reducing information asymmetries and market inefficiencies hence enabling them to attain improved performance. Efficient and affordable money transfer and payment services are an important financial service most people require, including those who do not typically use financial or banking.

According to Nyanga, (2013) mobile money allows any subscriber to add credit to his or her mobile account and store it for later use, some of the features like storage, payments and transfers makes it possible to build additional financial services within the mobile phone technology. The access to small loans enables people to pursue activities that would not only sustain their livelihood but also bring their families out of poverty. With this, Nyanga calls for a functioning microfinance institution which can also relate to mobile money agents through use of mobile money services. Savings is the complement to credit; with credit, Mobile Money Agents can acquire loans on savings and spread their loan repayments over time.

2.2.3 Mobile Deposits and Financial Performance of financial institutions in Eastern Uganda

According to Pushparaj Sivakumar (2022), mobile banking services has changed the way people within the developing countries transfer cash and it's likely to refined banking services that may build a true difference in people's lives. This kind of banking can give good type of services starting from account data that should do with alerting the customers on the updates and transactions on their account through their mobile phones. People receive short messages on their phones informing them of their immediate transactions in their bank accounts. In addition, they assist in payment of utility bills, deposits, withdrawals, transfers, purchase airtime, request for bank statements among others in real time over their mobile phones. The adoption of mobile banking services is on a growth trend as more prefer banking on the go. However, internet banking cannot be achieved minus access to internet-enabled devices, which is still a challenge in Uganda. With the unreliable or limited access to internet, mobile banking services are still not well explored by most Ugandans especially in the rural or travelers.

Today, a person sets installs a mobile application (Airtel money app, Mobile money app, DFCU app, Barclays app among others) on their phone or uses a short code as provided by the partnering bank to set up an e-money account on their mobile number. Mobile money customers can then deposit money on their numbers and either save it on the account for future use. The customer may decide to withdraw the money and get cash or even transfer to their bank account in case they have bank accounts.

The mobile deposits have helped to improve the saving skills of most customers but however, with the mobile withdrawals where someone has all time access to their accounts preempt extravagance as one does not have to walk to the bank physically.

Janine Aron (2021) argues that with mobile deposits at agent points, customers are not charged but for mobile withdraws and transfers (Person to Person or Person to Bank), customers are charge relatively.

With these double charges, high value customers may find it more practical to physically visit the bank and reduce or avoid the charges since banks do not charge on physical deposits to one's account and also charge less on withdraws compared to mobile withdraws.

2.3 Summary of Literature Review

Literature that was reviewed was about the effect of mobile financial information services on financial performance of financial institutions in Eastern Uganda indicated that there was consensus among most authors about the importance of mobile financial information services on the financial performance of financial institutions in Eastern Uganda. Most authors concurred with two World Bank reports that emphasized that for banks to be able to gain clientele responsiveness which would lead to increased uptake of banking services and in turn grow their financial performance, there was need to provide affordable, easily understood and accessible financial information to customers wherever and whenever they may be. It must be noted however, that while there are various studies on the issue of financial information services, most of these studies were not conducted in the context of Uganda – they do not address the pertinent issues of customer illiteracy, low smart telephone usage and poor network coverage in many parts of the country. This is a gap that this study attempted to fill. While reviewing literature on the effect of mobile transfers and receipts on financial performance of financial institutions in Eastern Uganda, it was established that the numerous relevant studies on mobile transfers and receipts, especially in Uganda, are more qualitative than quantitative. However, the reviewed authors mainly concurred with African Bank reports, which indicated that

due to mobile transfers and receipts, banks have started realizing increased business transactions not only among premium customers but even among ordinary bankers.

Literature on the effect of mobile deposits and withdrawals on financial performance of financial institutions in Eastern Uganda presented a most interesting view assertion by most authors. Most reports, especially those by Bank of Uganda, and a series of internal audits by the various banks in Uganda indicated that, due to mobile deposits among bank clients there has been a tremendous increase of the level and rate of savings over the past six years. These reports, however, did not indicate the extent to which increase in savings have led to financial performance of financial institutions in Eastern Uganda. This is a gap that this study attempted to fill.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research design, population size, sample size and techniques, data sources, data collection methods, validity and reliability of instruments, methods of data analysis, limitations and delimitations, and ethical considerations.

Business Dictionary defines Methodology as the process of scientific procedure into a research work. For any research conducted to yield the desired outcome, its methodology and methods of data collection must be effective.

In carrying out a research, it is highly desirable and acceptable to adopt a particular method of data or information collection that would lead to a successful and meaningful work. To ensure effectiveness and validity of the study, the research had to employ conventional procedures of information collection.

This chapter explains the procedures followed in arriving at the inferences of this research.

3.1 Research Design

The researcher used a descriptive cross sectional design which triangulated the qualitative and quantitative research approaches. Qualitative methods allow for a deep exploration of participants' experiences, perspectives, and lived realities. Through methods such as interviews, focus groups, and participant observation

3.2 Population Size

Bhandari (2023), defines population size as the actual number of individuals in a population. For the purpose of this research the population size will constitute of the entire 50 staff working at Equity bank Ltd.

3.3 Sample size and techniques

Sample size is a count of individual samples or observations in any statistical setting, such as a scientific experiment or a public opinion survey

The sample size for this study was 44 and the population size will be 50 and the sample determined by use of the Krejcie & Morgan (1970) table as shown below

Table 3.1: Population and Sample size

Respondent	Population	Sample size	Sample technique
Branch manager	08	05	Purposive
Sales officers/customer care officers	10	09	Simple random sampling
Operation Managers	05	05	Simple random sampling
Credit officers	27	25	Simple random
Total	50	44	

Source; Primary data (2024)

40 (forty) questionnaire were distributed to customer care or sales officers, the operations managers and credit officers and while interviews were held with branch managers.

3.4 Sampling techniques

Sampling technique is the selection of components of the sample that gave a representative view of the whole. In this research, the researcher used two sampling techniques to collect data from the respondent.

3.4.1 Purposive sampling technique

A purposive sample is a non-probability sample that is selected based on characteristics of a population and the objective of the study. Purposive sampling is also known as judgmental, selective, or subjective sampling. This was used for the branch managers because they have vital information relevant to this study.

3.4.2 Simple random sampling technique

This is a basic sampling technique where we select a group of subjects (a sample) for study from a larger group (a population). Each individual is chosen entirely by chance and each member of the population has an equal chance of being included in the sample. Every possible sample of a given size has the same chance of selection. This technique applied to customer care or sales officers, the operations managers and credit officers.

3.5 Sources of data.

For the purpose of obtaining data or information for this research, two basic sources of data collection were used, namely; Primary and secondary sources as given.

3.5.1 Primary source of data collection.

The primary sources provide data collected from the original source including data gathered from the bank staff, customers and knowledgeable persons, using questionnaire. Primary data collection methods can be divided into two groups: quantitative and qualitative.

3.5.2 Secondary source of data collection.

This is a type of data that has already been published in books, newspapers, magazines, journals, online portals. There is an abundance of data available in these sources about your research area in business studies, almost regardless of the nature of the research area. Therefore, application of appropriate set of criteria to select secondary data to be used in the study plays an important role in terms of increasing the levels of research validity and reliability.

The criteria included but were not limited to date of publication, credential of the author, reliability of the source, quality of discussions, depth of analyses, the extent of contribution of the text to the development of the research area etc.

3.6 Data collection methods.

Data collection is a tool used to collect data. The researcher basically focused on the two methods of data collection namely questionnaire and interview method.

3.6.1 Questionnaires

A questionnaire is a reformulated written set of questions to which respondents record their answers usually within rather closely defined alternative. A questionnaire is a series of questions asked to individuals to obtain statistically useful information when properly constructed and responsibly administered. A closed ended questionnaire was used to collect information from the Operation Managers, credit officers and customers/sales officers of selected Equity banks Ltd. The closed ended questions included alternative answers for selection and also were used in getting the required information about the study. The questionnaire was used on the basis that the variables under study could not be observed for instance the views, the opinions perception and feelings of the respondents.

3.6.2 Interview guide

This method was used on branch Managers of five selected Equity Bank branches in Eastern Uganda. This method involved directly meeting the informants and asking necessary questions regarding the subject of enquiry. The interviewer efficiently collected the data from the informants by cross examining them. The interviewer was very efficient and tactful to get accurate and relevant data from the informants with interviews.

3.7 Validity and reliability of instrument

The word validity as used in this work means the extent to which the instruments to be used for this research was useful in making decisions relevant to this study.

For validity, the content validity index was calculated as follows

$$CVI = \frac{\text{Relevant items}}{\text{Total number of items}}$$

$$CVI = \frac{28}{37} = 0.76$$

Having established the result above; CVI was 0.76 which was found to be valid implying that the instrument with a score above 0.7 was valid for the study (Mohajan, 2017).

Meanwhile the reliability aspect was ascertained using the Cronbach reliability coefficient test and the results are presented in the table as follows:

Table 3.2: Cronbach reliability coefficient results

Variable	Sum	Cronbach value
Responsibility accounting	9	0.812
Zero based budgeting	10	0.775
Variance analysis	9	0.794
Financial performance	9	0.821
Average	37	0.8005

The alpha average value was found to be 0.8005 which is above the alpha coefficient value of 0.70 and therefore the tool was found to be suitable for use in this study.

3.8 Methods of data analysis

After collecting the relevant data required for the purpose of this study, an analysis of the data was carried out to enable the researcher to discover or make some findings about the study. For purposes of this research, data from the 40 (forty) Questionnaires returned were analyzed using the SPSS method.

The justification for using this SPSS of data analysis was determine descriptive results followed by inferential results.

Qualitative data was analyzed using content analysis. Responses from key informants were grouped into recurrent issues. The recurrent issues which can emerge in relation to each guiding questions were presented in the results, with selected direct quotations from participants offered as illustrations.

3.9 Ethical considerations

According to Abedi, (2000) a researcher had to adhere to the following ethical considerations in doing research.

Informed Consent: The researcher obtained informed consent from all participants involved in the study. This ensured that participants were fully aware of the nature of the research, potential risks, benefits, and their rights before agreeing to participate. Informed consent promotes autonomy and respect for participants' decision-making.

Confidentiality and Privacy: The researcher had to adhere to maintaining the confidentiality and privacy of participants' personal information. This included ensuring that data collected from participants was kept secure and anonymized wherever possible to protect their identity. Respecting confidentiality builds trust between the researcher and participants, encouraging honest and open participation.

Avoiding Harm: The researcher had to adhere to minimizing the risk of harm to participants throughout the research process. This involved carefully assessing potential risks and implementing measures to mitigate them. Additionally, the researcher had to be prepared to halt or modify the study if unexpected harm arose. Prioritizing the well-being of participants was essential in ethical research conduct.

Fair Treatment and Equity: The researcher had to adhere to treating all participants fairly and equitably, regardless of factors such as race, gender, ethnicity, socioeconomic status, or any other characteristic. Ensuring fairness in participant selection, data collection, and analysis promotes justice and helps to minimize biases that could affect research outcomes.

Full Disclosure and Transparency: The researcher had to adhere to providing full disclosure and transparency about the research methodology, findings, and any conflicts of interest that could arise. This included accurately reporting results, acknowledging limitations, and openly sharing data with the

scientific community where appropriate. Transparency fosters trust in the research process and allows for scrutiny and replication by other researchers, contributing to the advancement of knowledge in an ethical manner.

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

4.1. Introduction

This chapter involves presentation of findings; interpretation and analysis of such findings. The chapter started with description and analysis of demographic characteristics of respondents followed by descriptive and inferential analysis of data based on study objectives.

4.2. Response rate

A total of 44 questionnaires were distributed to the respondents and only 40 were filled and returned, an equivalent of 90.91% as presented in the table below.

Table 4.1: Response rate

Tool used	Given out	Returned tool	Percentage
Questionnaire	44	40	90.91
Total	44	40	90.91

Source: Primary data

The table above shows that overall response rate obtained 90.91%. This was excellently high enough when compared to what Amin (2005) recommended in which 50% was found to be acceptable and representative of the survey while 70% is seen as excellent.

4.3. Demographic characteristics of respondents

The demographic characteristics of respondents included gender, age, marital status, education level, years of employment and work position held by respondent.

4.3.1. Respondents gender

Table 4.2: Respondents gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	20	50.0	50.0	50.0
	Female	20	50.0	50.0	100.0
	Total	40	100.0	100.0	

Source: Primary data

Basing on the information in the table above, of the 40 participants in the study, 20 (50%) were male and 20 (50%) others were female. This implies that Equity bank promotes equal opportunities policy in as far as gender is concerned. This is also means that opinions from equal numbers provided for a balanced report outcome.

4.3.2. Respondents Age

Table 4.3: Respondents age

Age of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	5	12.5	12.5	12.5
	26-35	15	37.5	37.5	50.0
	36-45	10	25.0	25.0	75.0
	46 and above	10	25.0	25.0	100.0
	Total	40	100.0	100.0	

Source: Primary data

As far as age of respondents is concerned, 5 (12.5%) of the respondents were in the age bracket of 18 to 25 years, 15 (37.5%) were in the age bracket of 26 to 35 years, 10 (25%) were in the age bracket of

36 to 45 years and 10 (25%) were above 46 years of age. It means that majority of respondents were adults and with experience in the banking sector who provided useful information to inform this study.

4.3.3. Respondents marital status

Table 4.4.: Respondents marital status

Marital status of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	11	27.5	27.5	27.5
	Married	25	62.5	62.5	90.0
	Widowed	4	10.0	10.0	100.0
	Total	40	100.0	100.0	

Source: Primary data

Information in the table reveals that 11(27.5%) of the respondents were single, 25(62.5%) were married and 4 (10%) were widowed. This implies that the information provided was based on both those with dependents and independent groups and because of majority of whom were married it implies the desire to improve performance to sustain their families.

4.3.4. Respondents Education

Table 4.5: Respondents education

Level of Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	14	35.0	35.0	35.0
	Bachelor's Degree	22	55.0	55.0	90.0
	Master's Degree	4	10.0	10.0	100.0
	Total	40	100.0	100.0	

Source: Primary data

Results in the table above show that 14 (35%) of the respondents were diploma holders, 22 (55%) were bachelor's holders and 4 (10%) were master's holder. This implies that all respondents were a good education and therefore were able to comprehend the questions presented to them for this study.

4.3.5. Respondents Years of employment

Table 4.6: Respondents years of employment

Number of years in employment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	8	20.0	20.0	20.0
	3-5	9	22.5	22.5	42.5
	5-10	14	35.0	35.0	77.5
	over 10 years	9	22.5	22.5	100.0
	Total	40	100.0	100.0	

Source: Primary data

The results in the table reveal that 8(20%) of the respondents had been on the job for 1-3 years, 9 (22.5%) had been on the job for 3-5 years, 14 (35%) had been on the job for 5 to 10 years and 9 (22.5%) had been on the job for over 10 years. This shows that majority of the respondents had enough experience to explain the issue of financial performance of Equity Bank in relation to mobile banking services.

4.3.6. Respondents position of employment

Table 4.7: Respondents position of employment

Position of employee					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Branch Manager	18	45.0	45.0	45.0

Operations Manager	4	10.0	10.0	55.0
Customers/sales officer	6	15.0	15.0	70.0
Others	12	30	30	100
Total	40	100.0	100.0	100.0

Source: Primary data

In as far as position of employee within the Bank were concerned, 18 (45%) were found to be Branch managers 4 (10%) were operations managers and 6 (15%) were in customer management/sales officers while 6 (17%) were customer or sales officer's and 12 (30%) were in other categories.

4.4. Empirical findings

4.4.1. Descriptive statistics of Mobile Financial Information Services

Table 4.8: Descriptive statistics of Mobile Financial Information Services

Descriptive Statistics										
	N	Missing	SD	D	U	A	SA	Mean	Std. Deviation	Comment
Equity Bank provides mobile timely financial information to its clients	40	0 (0%)	0 (0%)	5 (12.5%)	2 (5%)	32 (80%)	1 (2.5%)	3.6750	.85896	High
Among the mobile financial information include account balances status	40	0(0%)		5(12.5%)	2(2%)	32(80%)	1(2.5%)	3.7250	.71567	High
The clients can also access bank statements through their phones	40	0(0)%		5(12.5%)	3(7.5%)	24(60%)	8(20%)	3.8750	.88252	High
The mobile financial information services offered by the bank has improved clients' financial literacy	40	0(0%)	0	5(12.5%)	0(0%)	31(77.5%)	4(10%)	3.8500	.76962	High
The bank has a feedback mechanisms for clients to express their opinions on the services provided	40	0(0%)	0	5(12.5%)	3(7.5%)	24(60%)	8(20%)	3.8750	.88252	High

The information provided through mobile services aligns with clients financial goals	40	0(0%)	0(0%)	4(10%)	0(0%)	13(32.5%)	23(57.5%)	4.3750	.92508	Very high
Equity Bank effectively communicates updates and changes through its mobile platform	40	0(0%)	0(0%)	5(12.5%)	1(2.5%)	30(75%)	4(10%)	3.8250	.78078	High
The mobile financial information services enhances clients' trust in Equity Bank as a financial institution	40	0(0%)	0(0%)	0(0%)	0(0%)	18(45%)	22(55%)	4.5500	.50383	Very high
The information provided by the bank is easy to understand and digest	40	0(0%)	0	6(15%)	4(10%)	24(60%)	6(15%)	3.7500	.89872	high
Overall Mean and SD								3.944444	0.801967	High

Source: Primary data

Results in the table above indicate that 33 (82.5%) of the responsibilities agreed that Equity bank provides its clients with timely mobile financial information and this is supported by high mean of 3.68. This means that information is readily available to the Bank's clients whenever they need it as one respondent stated,

“Mobile financial information service limits unauthorized withholding of information and services which is advantageous for clients to get real time critical information as this may have direct influence on transactions while the lack of it can cause damage to clients.”

Results equally show that (82.5%) of respondents supported the view that of the mobile financial information there is an element of account balance status provided to clients and this was supported by a high mean of 3.73. This also means that mobile financial information service is associated with accountability practices as one respondent interviewed noted;

“The practice of mobile financial information service promotes accountability especially as documents can be associated with the originator who cannot deny transactions that were made. In the event of any financial loss, one can be able to trace back the originator of the information and to know who messed with the transaction”

Results further show that 32 (80%) of the respondents agreed that clients are able to access their bank statements via their phones as this was supported with a high mean value of 3.88 and standard deviation of 0.88252.

Findings in the table also reveal that 35 (87.5%) supported the view that mobile financial information services provided by banks has led to improved financial literacy levels. This was also supported by a high mean value of 3.85.

In addition, findings in the table above reveal that 32 (80%) of the respondents agreed that the bank offers feedback mechanisms for clients so that they can express their views and opinions on the kind of services provided and this was supported by a high mean value of 3.88. This shows that the Bank’s mobile financial information service promotes integrity of the institution as a reliable service provide as one respondent indicated,

“Mobile financial information service ensures the user receives information that has not been altered and not insufficient which may otherwise lead to the wrong decisions and financial losses. Because it limits unauthorized manipulations, the integrity of data used has to be protected by all means possible.”

Findings further reveal that 36 (90%) respondents agreed that the kind of information provided through mobile services aligns with its clients financial goals and this was supported by a very high mean of 4.38 and standard deviation of 0.92508.

Besides, results reveal that 34 (85%) of the respondents agreed with the opinion that equity bank effectively communicates updates and changes via its mobile platform as supported by a high mean of 3.83 and standard deviation of 0.78078.

Last but not least, results in the table show that all the 40 (100%) respondents agreed with the view that the mobile financial information services enhances clients trust in Equity Bank as indicated by a very high mean value of 4.55 and standard deviation of 0.50383. This means that mobile financial information enables clients to develop confidence and trust in the Bank as one respondent remarked

“Mobile financial information service enhances the confidentiality and trust in the Bank in that clients feel protected from unauthorized third parties where for instance within the scope of the service, the information guarantees that their financial situation is not exposed.”

Finally, results in the table show that 30 (75%) of the respondents’ agreed that the information offered by Equity bank is easy to understand and digest as supported by high mean value of 3.75 and standard deviation of 0.89872.

The overall mean was high ($\mu = 3.94$) implying that mobile financial information services has a high influence on financial performance of Equity Bank.

Table 4.10: Linear regression Model summary of mobile financial information services and financial performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.501 ^a	.251	.238	.22441	.251	20.726	1	62	.000

a. Predictors: (Constant), financial information services

Source: Primary data

The regression analysis was undertaken to establish the effect of mobile financial information services on financial performance of financial institutions in Eastern Uganda. Results revealed that mobile financial information services significantly correlates with financial performance ($R=50.1\%$; $P=0.000$). The results also show that financial information services significantly influences financial performance ($R\text{ square}=0.251$). This implies that financial information services explained 25.1% of the effect on financial performance in eastern Uganda while the remaining 74.9% was due to other factors.

4.4.2. Descriptive statistics of Mobile Transfers

Table 4.11: Descriptive statistics of Mobile Transfers

Descriptive Statistics										
	N	Missing	SD	D	U	A	SA	Mean	Std. Deviation	Comment
Mobile transfers are processed quickly, ensuring timely transactions	40	0(0%)	0(0%)	0(0%)	0(0%)	28(70%)	12(30%)	4.3000	.46410	Very high
The mobile transfers provided by the bank is efficient and affordable service	40		0(0%)	3(7.5%)	3(7.5%)	28(70%)	6(15%)	3.9250	.72986	High
The system necessitates the receiver to visit and extract cash from an agent	40	0(0%)	0(0%)	3(7.5%)	0(0%)	31(77.5%)	6(15%)	4.0000	.67937	High
There are no safety measures implemented by the Bank for mobile transfers	40	0(0%)	3(7.5%)	20(50%)	6(15%)	8(20%)	37.5%	2.7000	1.11401	Moderate
Equity Bank provides a secure way to send and receive money across the wide spectrum	40	0(0%)	0(0%)	11(27.5%)	9(22.5%)	17(42.5%)	3(7.5%)	3.3000	.96609	High
The bank provides feedback when money has been sent or received	40	0(0%)	0(0%)	3(7.5%)	0(0%)	31(77.5%)	6(15%)	4.0000	.67937	Very High

There are security protocols used by the Bank's mobile transfer service	40	0(0%)	0(0%)	4(10%)	0(0%)	30(75%)	6(15%)	3.9500	.74936	High
One of the security protocols is the use of password while sending or withdrawing money	40	0(0%)	0(0%)	3(7.5%)	0(0%)	32(80%)	5(12.5%)	3.9750	.65974	High
The mobile transfer platform ensures that transactions are protected from fraud	40	0(0%)	0(0%)	4(10%)	1(2.5%)	28(70%)	7(17.5%)	3.9500	.78283	High
Payment of bills such as utility bills, purchase of airtime are simplified	40	0(0%)	0(0%)	6(15%)	2(5%)	28(70%)	4(10%)	3.7500	.83972	High
Overall mean and SD	40							3.785	0.766445	High

Source: Primary data

In the table above, results indicate that all respondents (100%) supported the view that mobile transfers in Equity Bank are processed very fast while ensuring timely transactions and this was backed up by a very high mean value of 4.30 and standard deviation of 0.46410. One interviewee stated that;

Mobile transfers eliminate the traditional way of banking which requires one to visit the bank branch in person where they have to wait in the line to be served. This approach saves one time by completing the online transaction from the comfort of your home. This is different from the bank transactions where the processing time may vary and you can end up taking too much time for the process to be completed yet online transfers can be completed on record time.

Results also show that 34 (85%) of the respondents agreed with the view that mobile transfers provided by Equity Bank is efficient and affordable service as supported by a high mean value of 3.93 and standard deviation of 0.72986. In support of the statement one interviewee on the influence of mobile transfers on financial performance stated that;

“Compared to the traditional banking system where banks often charge higher fees for transfers of money, the online mobile transfers offer relatively cheap and affordable means for transfer services”.

Results further reveal that almost all of the respondents, that is 37 out of 40 an equivalents of 92.5% of the respondents agreed with the view that the mobile transfer system necessitates the receiver to visit and extract cash from an agent as supported by high mean of 4.00 and standard deviation of 0.67937.

In addition results show that only 11 (27.5%) agreed with the statement that there is no safety measures implemented by the bank for mobile transfers, 6 were undecided (15%) and majority of the respondents totaling to 23 (57.5%) out of 40 disagreed with the statement as supported by a moderate mean of 2.70. This implies that respondents agree that Equity Bank has safety measures in place for mobile transfers.

Besides, results indicate that 20 (50%) of respondents agreed that Equity bank provides a secure way to send and receive money across the wide spectrum as supported by a high mean of 3.30. only 11 (27.5%) disagreed with the statement while 9 (22.5%) were undecided. The finding is in line with the statement by one interviewee who stated that;

“Mobile transfers enable funds to be transferred to families and friends from one country to another with ease. With this system, service provides may offer information on currency conversion systems which allow the clients to monitor the exchange rates and can be able to send money online depending on the rates that are favorable to them. This is makes the whole process very simple and convenient”.

Findings also reveal that 37(92.5%) of the respondents agreed with the view that Equity Bank provides feedback when money has been sent or received as supported by high mean of 4.00 and standard

deviation of 0.67937 and only 3 (7.5%) were undecided about the statement. This relates with what one interviewee stated during the interviews;

“With the money transfers, customers are offered all the necessary information and support in form of personalized assistance through applications like whatsApp. If client needs any information on how to transfer funds to recipient in any location or they receive assistance and support if there is an issue with the transaction by use of their mobile phone.”

Further findings reveal that a majority 36 (90%) of the respondents supported the statement that there are usually security protocols that are used by Equity Banks mobile transfer services with just only 4 (10%) disagreeing with the statement. The majority support was seconded by a high mean value of 3.95 and standard deviation of 0.74936.

Furthermore results indicate that 37 (92.5%) agreed with the statement that equity bank uses password while sending or withdrawing money as one of the security protocols as supported by high mean of 3.975 and standard deviation of 0.6974. Only 3 (7.5%) were undecided with the statement while no respond disagreed with the statement. The finding is supported by one interviewee who said that

“The mobile transfer system has enhanced security measures and therefore when dealing with checks cash one could find them at risk of theft and this is besides the limited guarantee on your funds. This makes the online mobile transfer system a better option.”

Last but not least findings show that 35 (87.5%) of the respondents agreed with the view that the mobile money transfer platform ensures that transactions are protected from fraud and this was supported by a mean value of 3.95 and standard deviation of 0.78283.

Finally in relation to objective one, the results reveal that 32 (80%) of the respondents supported the view that the mobile money transfer system simplifies the payment of bills like utility bills and purchase of airtime. This was supported by a high mean value of 3.75 and standard deviation of 0.83972.

The overall mean was high ($\mu=3.785$) implying the mobile transfer has a high influence on financial performance of Equity Bank.

Table 4.12: Linear regression results for mobile transfers and financial performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.619 ^a	.383	.373	.56672	.383	38.538	1	62	.000

a. Predictors: (Constant), Mobile transfers

Source: Primary data

The simple regression analysis was undertaken to assess the influence of mobile transfers on financial performance. The results revealed that the correlation between mobile transfers and financial performance was 47.7% and it was significant ($R=0.619$; $P=0.000$). The R square was 0.383 implying that mobile transfers significantly influenced financial performance of financial institutions in eastern Uganda by 38.3% and the remaining 61.7% was due to other factors.

4.4.3. Descriptive statistics of Mobile deposits

Table 4.13: Descriptive statistics of Mobile deposits

Descriptive Statistics										
	N	Missing	SD	D	U	A	SA	Mean	Std. Deviation	Comment
Equity Bank's mobile deposit feature offers competitive user charges, making it affordable for customers	40	0(0%)	0(0%)	0(0%)	0(0%)	18(45%)	22(55%)	4.5500	.50383	Very high
The Bank's mobile deposit service enables clients to deposit money direct into their bank account	40	0(0%)	0(0%)	3(7.5%)	0(0%)	32(80%)	5(12.5%)	3.9750	.65974	High
Mobile deposit have helped to improve the savings skills of most customers	40	0(0%)	0(0%)	3(7.5%)	0(0%)	28(70%)	9(22.5%)	4.0750	.72986	Very high
The mobile deposit has a feature that alerts customers whenever a deposit has been made on the account through the phone	40	0(0%)	0(0%)	0(0%)	1(2.5%)	32(80%)	7(17.5%)	4.1500	.42667	Very high
Customers receive short messages on their phones immediately mobile deposit transactions have been made in their bank accounts	40	0(0%)	0(0%)	0(0%)	5(12.5%)	24(60%)	11(27.5%)	4.1500	.62224	Very high
Equity bank ensures that customers are not charged for mobile deposit at any agent point	40	0(0%)	0(0%)	0(0%)	1(2.5%)	26(65%)	13(32.5%)	4.3000	.51640	Very high

Equity Bank provides extensive network coverage for mobile deposits, ensuring accessibility for customers	40	0(0%)	0(0%)	0(0%)	4(10%)	29(72.5%)	7(17.5%)	4.0750	.52563	Very high
The wide network coverage for mobile deposits has added convenience to customers' banking experience with Equity Bank	40	0(0%)	0(0%)	0(0%)	4(10%)	29(72.5%)	7(17.5%)	4.0750	.52563	Very high
Equity Bank's network coverage for mobile deposits minimizes the risk of transaction disruptions	40	0(0%)	0(0%)	0(0%)	2(5%)	28(70%)	10(25%)	4.2000	.51640	Very high
Overall mean and SD								4.172222	0.558489	Very high

Source: Primary data

From the table above, results show that all the 40 (100%) respondents agreed that equity bank's mobile deposit system provides competitive user charges which make it an affordable banking system for customers. This was supported by a very mean of 4.5500 and standard deviation of 0.50383. It also means that the system eliminates the use of paper work which is more expensive and inconveniencing as one respondent noted,

“Mobile deposits eliminate expensive charges by reducing paperwork that is associated with old banking system. The system enables digital storage of copies of checks which makes it easy to track and manage financial transactions.”

Results also show that 37 (92.5%) of the respondents agreed with the view that Equity banks mobile deposit service enables customers to deposit money directly into their bank accounts as supported by a

high mean of 3.9750 and standard deviation of 0.65874. This makes it a convenient system for clients to carry out transactions at their convenience as one interview noted,

“Mobile deposits offer unparalleled convenience to customers especially if they can’t make it to the banking locations within the working hours. The best thing for clients is to take advantage of the online banking tool where they can securely deposit their checks in the comfort of their homes and or virtually in any location with internet connection.”

Besides, the results in the table show that another 37 (92.5%) of the respondents agreed with the statement that mobile deposits have helped to improve the savings skills of most customers with only 3 (7.5%) not being decided on the statement. This was also supported by a high mean figure of 4.0750 and standard deviation of 0.72986. This implies that clients are able to save at their convenience and this enables them to improve their skills of saving as one of the interviewees remarked;

With mobile deposits customers are able to deposit their checks at any time and during any day of the week without any inconvenience especially as banks open and close during busy business hours of the day. The system eliminates the headaches of driving out during your busy schedules and or even holding onto the check until its convenient to take it to the bank.

Findings also reveal that 39 (97.5%) of the respondents supported the view that mobile deposit has a feature that alerts customers whenever a deposit has been made on the account through the phone with a very high mean value of 4.1500 and standard deviation of 0.42667. One of the interviewees who was asked about the security of the system said that;

“The mobile deposit system just like other digital banking systems offers better security in that it eliminates the approach of carrying the check around in the wallet which reduces the chances of loss or theft of your paper money.”

Findings further indicated that 35 (87.5%) of the respondents agreed with the statement that customers receive short messages on their phones immediately mobile deposit transactions have been made in their bank accounts. This was supported by a very high mean of 4.1500 and standard deviation of 0.62224.

Furthermore findings show that 39 (97.5%) of the respondents supported the statement that Equity bank ensures that customers are not charged for mobile deposit at any agent point. This was also seconded by a very high mean figure of 4.3000 and standard deviation of 0.51640.

In addition as shown in the table, findings indicate that 36 (90%) of the respondents supported the statement that Equity Bank provides extensive network coverage for mobile deposits, ensuring accessibility for customers as seen from a high mean value of 4.0750 and standard deviation of 0.52563.

Last but not least findings indicate that 36 (90%) of the respondents supported the statement that the wide network coverage for mobile deposits has added convenience to customers' banking experience with Equity Bank as evidenced from a high mean value of 4.0750 and standard deviation of 0.52563.

Lastly, results show that 38 (95%) of the respondents agreed that Equity Bank's network coverage for mobile deposits minimizes the risk of transaction disruptions. This was supported by a very high mean figure of 4.2000 and standard deviation of 0.51640.

The overall mean was very high ($\mu = 4.172$) implying that mobile deposits has very high influence on financial performance of Equity Bank.

Table 14: Linear Regression results of mobile deposits and financial performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.663 ^a	.439	.430	.54047	.439	48.539	1	62	.000

a. Predictors: (Constant), mobile deposits

Source: Primary data

A simple regression analysis was undertaken to examine the influence of mobile deposits on financial performance. The results revealed that the correlation between mobile deposits and financial performance was 66.3% and it was significant (R=0.663; P=0.000). The R square was 0.439 implying that mobile deposits significantly influenced financial performance of financial institutions in eastern Uganda by 43.9% while the remaining 56.1% was due to other factors.

4.4.4. Descriptive statistics of Financial Performance

Table 4.15: Descriptive statistics of Financial Performance

Descriptive Statistics										
	N	Missing	SD	D	U	A	SA	Mean	Std. Deviation	Comment
Equity Bank was able to generate profits from its asset base for the past 5 years	40	0 (0%)	0(0%)	4 (10%)	7 (17.5%)	26 (65%)	3 (7.5%)	3.7000	.75786	High
Equity Bank's assets are usually effectively utilized	40	0 (0%)	0(0%)	0 (0%)	0 (0%)	27 (67.5%)	13 (32.5%)	4.3250	.47434	Very high
Equity Bank usually generates high returns for its shareholders' investments	40	0(0%)	0(0%)	1 (2.5%)	3 (7.5%)	24 (60%)	12 (30%)	4.1750	.67511	Very high
Equity Bank usually meets its short-term financial obligations	40	0(0%)	0(0%)	0 (0%)	5 (12.5%)	27 (67.5%)	8 (20%)	4.0750	.57233	Very high

The Bank can handle unexpected financial needs and maintain operational stability	40	0(0%)	0(0%)	1(2.5%)	4(10%)	29(72.5%)	6(15%)	4.0000	.59914	High	
The Bank easily converts assets into cash quickly without significant loss in value	40	0(0%)	5(12.5%)	1(2.5%)	8(20%)	16(40%)	10(25%)	3.6250	1.25448	High	
The bank's loan portfolio for the last 5 years was high	40	0(0%)	0(0%)	0(0%)	0(0%)	20(20%)	20(50%)	4.5000	.50637	Very High	
The bank usually minimizes effectively the risk of losses from borrowers	40	0(0%)	0(0%)	1(2.5%)	3(7.5%)	24(60%)	12(30%)	4.1750	.67511	Very High	
The bank experienced an overall financial health for the past 5 years	40	0(0%)	0(0%)	0(0%)	5(12.5%)	31(77.5%)	4(10%)	3.9750	.47972	High	
Overall mean and SD								4.0611	11	0.666051	Very high

Source: Primary data

Results in the table above show that 29 (72.5%) respondents agreed that equity Bank was able to generate profits from its asset base for the past five years as supported by a high mean value of 3.7000 and standard deviation of 0.75786.

Results also show that all the 40 respondents (100%) agreed with the statement that Equity Banks are usually effectively utilized and this was supported by a very high mean value of 4.3250 and standard deviation of 0.47434.

Further, results show that majority of the respondents (90%) agreed with the view that equity Bank usually generates high returns for its shareholders investments. The high percentage was supported by a very high mean value of 0.43250 and standard deviation of 0.67511.

Furthermore, results in the table indicate that 35 (87.5%) of the respondents agreed with the view that Equity Bank usually meets its short term financial obligations. This was supported by a very high mean value of 4.0750 and standard deviation of 0.57233.

Equally, findings revealed that 35 (87.5%) of the respondents supported the view that Equity Bank is able to handle unexpected financial needs and also maintain operational stability. This was also supported by a high mean value of 4.0000 and standard deviation of 0.59914.

In addition, results in the table show that 26 (65%) of the respondents believe that the bank easily converts assets into cash quickly without significant loss in value as shown by a high mean of 3.6250 and standard deviation of 1.25448.

Besides, findings in the table show that all 40 (100%) respondents agreed with the statement that the Bank's loan portfolio for the last five years was high as supported by a very high mean value of 4.5000a and standard deviation of 0.50637.

Also results in the table above indicate that 36 (90%) of the respondents agreed with the view that the Bank usually minimizes effectively the risk of losses from borrowers and this was supported with a very high mean figure of 4.1750 and standard deviation of 0.67511.

Lastly, findings revealed that 35 (87.5%) of the respondents agreed with the statement that bank experienced an overall financial health for the past five years as this was supported by a high mean value of 3.9750 and standard deviation of 0.47972.

4.5. Multiple regression analysis of mobile banking services and financial performance

Table 4.16: Model summary of multiple regression analysis for mobile banking services and financial performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.747 ^a	.558	.536	.48774	.558	25.244	3	60	.000

a. Predictors: (Constant), Mobile transfer, mobile financial information services, Mobile deposits

Source: Primary data

The study aimed to investigate the influence of mobile banking services on the financial performance of financial institutions in eastern Uganda. a case of Equity Bank. The results revealed that the relationship between the independent and dependent variables was 0.747, an implication that the three independent variables correlated with the dependent variable by 74.7% and the correlation was significant (R=0.747; P=0.000). In terms of effect, the results show that the R square was 0.558, implying that mobile banking services influences financial performance of financial institutions in eastern Uganda by 55.8% while remaining 44.2% was due to other factors.

Table 4.17: Analysis of variance of mobile banking services and financial performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.016	3	6.005	25.244	.000 ^b
	Residual	14.273	60	.238		
	Total	32.289	63			

a. Dependent Variable: service delivery

b. Predictors: (Constant), Mobile transfer, mobile financial information services, Mobile deposits

Source: Primary data

Analysis of variance was carried out to determine the fitness of the model. And with the use of 5% significance level in the study, the results in the table show that the significance value was 0.000 which

was found to be below the alpha value of 0.05 while the F-factor of 25.244 was found to be above the F-critical of 2.717. This implies that the model was fit for use in the determining the study variables.

Table 4.18: Regression coefficient results of mobile banking services and financial performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.213	.899		-2.461	.017
	Mobile financial information services	.808	.268	.290	3.019	.004
	Mobile transfers	.429	.145	.351	2.965	.004
	Mobile deposits	.359	.156	.295	2.296	.025

a. Dependent Variable: service delivery

Source: Primary data

The regression coefficient results in the table above show mobile transfer has a positive significant effect on financial performance; mobile financial information services has a positive and significant effect on financial performance and that mobile transfer has a positive significant effect on financial performance. Of all the three independent variables, mobile transfer was found to be the most significant predictor of financial performance ($\beta=0.351$) followed by mobile deposits ($\beta=0.295$) and lastly mobile financial information services ($\beta=0.290$), implying that all variables used support financial performance but mainly due to mobile transfers.

CHAPTER FIVE

DISCUSSIONS OF FINDINGS

5.1. Introduction

In this chapter, discussions of findings are presented in line with the set objectives as follows. The sample population for the survey was 44 respondents and out of that number, only 40 participated in the study and this provided a 90.91% response rate.

5.1.1. Effect of mobile financial information services on financial performance of equity Bank

In line with this objective, findings revealed that mobile financial information services had a positive effect on financial performance. The correlation outcomes revealed was 50.1% whereas the regression results revealed that mobile financial information services explained a 25.1% variation in financial performance of financial institutions in Eastern Uganda while the remaining 74.9% was to be explained by other considerations.

The results therefore coincided with study findings by Cull, et al. (2022) who stated that having a mobile phone with internet services facilitates savings on the mobile accounts and bank accounts simultaneously while providing updated information. That even the low income earners can learn from existing information on formal financial services which helps in strengthening the mobile financial information services and this helps in enhancing financial saving s skills.

Findings also relate with the study findings by Omarini (2021) who argued that information on mobile financial services is one of the ways in which Africa's population learns about financial systems and embraces mobile banking services as a form of formal banking. This in a way brings the unbanked populace to be included in the financial systems and offering business to the banks.

5.1.2 Effect of mobile transfers on financial performance of financial institutions in Eastern Uganda

In as far as the second objective was concerned, the results revealed that mobile transfers had a 44.7% correlation with financial performance of financial institutions in eastern Uganda, a case of Equity Bank, whereas the regression results depicted that mobile transfers explained a 38.3 variation in financial performance of Equity Bank with remaining 61.7% being explained by other factors. The findings were in line with study findings by Mari (2021) adoption of mobile banking services in form of mobile transfers promotes electronic transaction records at any given moment and it also makes the payment of bills simple. The study findings also related with the stud carried out by Donovan (2023) mobile system has been elevated to one of the cheapest mechanism in which financial transactions is carried out by the population both sending and receiving cash. Besides the system permits the recipient to pay a visit and extract cash from the agents with e–float such that money is routed back to the sender with ease in case of any issue.

Findings further relate to the study by GSM (2019), which revealed that the development of mobile technology has eased payment for energy, water and waste in many ways over the years as the use of mobile money has improved efficiency of bill settlements and offer pay as you go for services. The study also indicated that use of mobile money for bill payment includes things like increased affordability of services, improves the user experience, its more convenient and it includes many people and leads to the buildup of credit history.

Besides the study findings relate to the study conducted by Jensens (2019), who laid emphasis on the benefit arising from phone financial transaction such as support of mobile money agencies in

eliminating information asymmetries and inefficiencies within the market which results in the attainment of financial performance.

Finally, findings relate to the findings by Kamau, Cerstin and Mukwana (2003) who noted that the use of money transfers in payments for services is an efficient and affordable means of financial services that is required by most people let alone those who have initially not used or banking or financial tools.

5.1.3. Effect of mobile deposits on financial performance of financial institutions in Eastern Uganda

At in line with objective three, findings revealed that mobile deposits had a 0.663 an equivalent of 66.3% correlation with financial performance of Equity Bank whereas the regression results depicted that mobile deposits explained a 43.9% variation in financial performance of Equity Bank with remaining 56.1% being explained by other factors.

The findings were in line with study findings by Mishra (2022) who remarked that mobile banking services has altered the manner in which people in less developed countries keep and transact their money and that is likely to change the banking services which is bound to build people's lives. He further noted that mobile banking offers good services that include account balances and customers are able to receive updates on transactions on their accounts via their mobile phones.

Findings also correlate with study findings by Buyer and sellers (2021), which reported that mobile deposits assist in payment for utility bills, transfers, purchase of airtime, request for bank statements and so forth on a timely basis using mobile phones. they further reported that with mobile deposits which is on the rise it offers opportunities for many as they are able install mobile applications for airtel money, DFCU, mobile money, money account on their mobile phones which they can use to deposit money to their numbers and accounts for future use. Besides, through the mobile deposits,

clients are able to withdraw and receive cash and or even transact funds to their accounts in the event that they have bank accounts.

Finally results relate with the study by Janine (2021) who stated that, the use of mobile deposits through portals like agents facilitates client

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1. Introduction

This chapter includes the conclusions and recommendations of the study presented on the objective by objective basis as follows

6.2. Conclusions

6.2.1. Mobile financial information services and financial performance of Equity Bank

Basing on the findings and discussions presented above and in relation to this objective, the study concludes by noting that mobile financial information services positively influences financial performance of financial institutions in Uganda with reference to Equity Bank in Eastern Uganda. This is particularly because, the bank was found to offer mobile information to its customers and one of the key information is that of the status of account balances. It also enables clients to access their bank statements via their mobile phones and that the financial information services that the bank provides has had a positive financial literacy on clients. It further has a feedback mechanism for its customers to express themselves on the kind of services offered by the Bank and the kind of information they receive through the mobile services supports the clients financial goals. The Bank was also found to offer effective communication updates regarding any changes via the mobile platforms, and the kind of information helps to enhance the financial services of the customers which helps to build trust in the Banks. Finally respondents supported the view that the kind of information provided by the Bank is easily digestible by the clients. The relationship was found to be moderate and significant as the significance p value of 0.000 was less than the critical value of 0.05 and this was supported by the - 25.1% in influencing financial performance of Equity Bank and financial institutions in general.

6.2.2. Mobile transfers and financial performance of Equity Bank

In as far as the second objective is concerned, the study concludes that mobile transfers positively influences financial performance of financial institutions in Eastern and the entire Uganda as generalized. The conclusion was made basing on the findings which indicated the high mean values meaning the statements were supported by respondents. This is especially as it indicated that most respondents agreed that mobile transfers are quickly processed taking into considerations time for transactions and that such mobile transfers offered by Equity Bank is both efficient and affordable in terms of services. Besides, the system of mobile transfers helps receivers to visit and extract their cash from agents with ease while also ensuring that clients are provided with secure ways to receive and send money. High mean values were also recorded in terms of the fact that clients agreed that through there are measures put in place by the bank to ensure banks mobile transfers and one of which is the use of password while transferring finances. Also agreement was in line with fact that the platform for mobile transfers ensures transactions are protected from any form of fraud and even payments of Bills like utility bills and purchase of air time and mobile data is made easy. Mobile transfer was found to positively influence financial performance and the influence was significant as the p value was 0.000 which was less than the critical p value of 0.05. The regression coefficient results supported the narrative as it indicated that mobile transfers accounted for 38.3% in influencing financial performance of equity bank as a financial institution.

6.2.3. Mobile deposits and financial performance of Equity Bank

Lastly and in line with objective three, the study concludes that mobile deposits positively affects financial performance of Equity Bank. This is because, mobile deposits features provide competitive user charges which makes it cheap for clients, its services enables customers to deposit money directly into their accounts, it helps in improving the savings skills of its clients, it has a feature that alerts

clients in the event that money is deposited into their account through the mobile phone, it sends clients sms on their phones as notifications when deposits have been made into their accounts. It further ensures clients are not charged for mobile deposits made at any agents, it offers extensive network coverage which ensures clients have access, and offers convenience to clients while reducing risks of transaction disruptions. Notwithstanding, mobile deposits was found to significantly influence financial performance of Equity Bank as the p value of 0.000 was less than the critical p value of 0.05 with regression results indicating that mobile deposits accounted for 43.9% and was the main contributor in influencing financial performance.

6.3. Recommendations

Basing on the discussions of findings and conclusions made, the following recommendations were drawn in line with the specific objectives of the study as indicated below

6.3.1. Mobile financial information services and financial performance of Equity Bank

On the basis of the findings and discussion of the first objective, the study recommends that management and leadership of financial institutions like Equity Bank should emphasize the use of mobile financial information services to improve their financial performance. This is attributed to the fact that indicators like; Equity Bank provides financial information to its customers, among which is the information on the status of account balances, it also enables clients access to their bank statements via their phones, it improves clients financial literacy levels, offers a mechanism in which clients freely express their views on the service provided, meets clients financial goals, helps to communicate updates and changes via the mobile phone, helps to enhance clients trust in the banks and the information is easily understood and digested, when conducted were found to improve financial performance.

6.3.2. Mobile transfers and financial performance of Equity Bank

Regarding the second objective, the study recommends, the leadership and management of financial institutions such as Equity Bank should use mobile transfers. This due to the fact findings which indicate that the use of indicators which were supported that mobile transfers such as; they ensure timely transactions as mobile transfers are processed quickly, transfers are efficient and affordable service, necessitates the receiver to visit and extract cash from an agent, there is sufficient information on safety measures implemented by the Bank to support transfers, provides secure way to send and receive money, provides feedback when funds have been sent or received, there are security protocols applied by the bank in carrying out mobile service transfers, one of which is the use of passwords when receiving or sending money, it ensures transactions are protected from fraud and for payment of bills like utility bills and purchases of airtime positively promote financial performance, reason why their application could be significant.

6.3.3. Mobile deposits and financial performance of Equity Bank

As far as objective three is concerned, it can be recommended that the leadership and management of financial I institutions in eastern Uganda should adopt the use of mobile deposits. This is attributed to findings which indicated that the use of indicators such as; mobile deposits attributes offer competitive user charges increasing its affordability to customers, mobile deposit services enable clients to deposit cash directly into their accounts, they improve the savings skills of majority clients, alerts the clients through phones when deposits are made, enable clients receive short messages on phones when transactions and deposits are made to their accounts, make sure clients are not charged for any deposits at the agent centers, extensive network for ensuring accessibility for customers among others, are important in improving the financial performance of financial institutions.

6.4. Areas for further research

The study found that mobile financial information services had a positive and significant effect on financial performance of financial institutions in eastern Uganda. It also found that mobile transfers had a positive and significant effect on performance of Equity Bank in Eastern Uganda and it further found that money deposits had a positive and significant effect on financial performance of Equity Bank in Eastern Uganda. The study therefore calls for another study to be conducted regarding all the independent variables (mobile financial information services, mobile transfers and money deposits) in relation to financial performance of Equity Bank in Eastern Uganda. However a similar study must be carried out this time focusing on a different financial institution other than Equity Bank, the results of which can be compared findings of the present study to determine if these variables can have the same results.

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Customers []

Credit Officers []

Other, please specify.....

6. Duration of stay in this position 1 – 3 years []

3 – 5 years []

5 – 10 years []

Over 10 years []

Section B: mobile financial information services

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers: 5-Strongly Agree (SA), 4-Agree (A), 3 - Not Sure (NS), 2 - Disagree (D), 1- Strongly Disagree (SD)

No.	Statements	Rankings				
		1	2	3	4	5
1	Equity Bank provides mobile financial information to its clients					
2	Among the mobile financial information include account balances status					
3	The clients can also access bank statements through their phones					
4	The mobile financial information services offered by the bank has improved clients' financial literacy					
5	The bank has a feedback mechanisms for clients to express their opinions on the services provided					
6	The information provided through mobile services aligns with clients financial goals					
7	Equity Bank effectively communicates updates and changes through its mobile platform					
8	The mobile financial information services enhances clients' trust in Equity Bank as a financial institution					
9	The information provided by the bank is easy to understand and digest					

Section D: Mobile transfer

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers: 5-Strongly Agree (SA), 4-Agree (A), 3 - Not Sure (NS), 2 - Disagree (D), 1- Strongly Disagree (SD)

No	Statements	Rankings				
		1	2	3	4	5
1	Mobile transfers are processed quickly, ensuring timely transactions					
2	The mobile transfers provided by the bank is efficient and affordable service					
3	The system necessitates the receiver to visit and extract cash from an agent					
4	There are safety measures implemented by the Bank for mobile transfers					
5	Equity Bank provides a secure way to send and receive money					
6	The bank provides feedback when money has been sent or received					
7	There are security protocols used by the Bank's mobile transfer service					
8	One of the security protocols is the use of password while sending or withdrawing money					
9	The mobile transfer platform ensures that transactions are protected from fraud					
10	Payment of bills such as utility bills, purchase of airtime are simplified					

Section E: Mobile deposits

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers: 5-Strongly Agree (SA), 4-Agree (A), 3 - Not Sure (NS), 2 - Disagree (D), 1- Strongly Disagree (SD)

No	Statements	Rankings				
		1	2	3	4	5
1	Equity Bank's mobile deposit feature offers competitive user charges, making it affordable for customers					
2	The Bank's mobile deposit service enables clients to deposit money direct into their bank account					
3	Mobile deposit have helped to improve the savings skills of most customers					
4	The mobile deposit has a feature that alerts customers whenever a deposit has been made on the account through the phone					
5	Customers receive short messages on their phones immediately mobile deposit					

	transactions have been made in their bank accounts					
6	Equity bank ensures that customers are not charged for mobile deposit at any agent point					
7	Equity Bank provides extensive network coverage for mobile deposits, ensuring accessibility for customers					
8	The wide network coverage for mobile deposits has added convenience to customers' banking experience with Equity Bank					
9	Equity Bank's network coverage for mobile deposits minimizes the risk of transaction disruptions					

Section F: Financial performance

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers: 5-Strongly Agree (SA), 4-Agree (A), 3 - Not Sure (NS), 2 - Disagree (D), 1- Strongly Disagree (SD)

No	Statements	Rankings				
		1	2	3	4	5
1	Equity Bank was able to generate profits from its asset base for the past 5 years					
2	Equity Bank's assets are usually effectively utilized					
3	Equity Bank usually generates high returns for its shareholders' investments					
4	Equity Bank usually meets its short-term financial obligations					
5	The Bank can handle unexpected financial needs and maintain operational stability					
6	The Bank easily converts assets into cash quickly without significant loss in value					
7	The bank's loan portfolio for the last 5 years was high					
8	The bank usually minimizes effectively the risk of losses from borrowers					
9	The bank experienced an overall financial health for the past 5 years					

Thank you very much for your time

Appendix 2: INTERVIEW GUIDE FOR CUSTOMERS

Section A: Respondents' Demographic Information

1. Gender Male []

Female []

2. Age 18 – 25 []

26 – 35 []

36 – 45 []

46 and above []

3. Marital status Single []

Married []

Widowed []

4. Education levels Masters' degree []

Bachelor's degree []

Diploma []

If other, please specify.....

5. Position Branch Manager []

Operation Managers []

Customers []

Credit Officers []

Other, please specify.....

6. Duration of stay in this position 1 – 3 years []

3 – 5 years []

6 – 10 years []

Over 10 years []

1. What do you understand by the concept **MOBILE BANKING SERVICES**?
2. What is your experience on the mobile banking services? Please elaborate
3. How does the system of mobile banking services support your customers? Please elaborate
4. In your own view, do you perceive mobile banking services to be a good system? Yes/ No. Please explain your choice
5. How has mobile financial information services influenced the financial performance of Equity Bank? Please elaborate
6. In your view how do you think mobile transfers have influenced financial performance of Equity Bank? Please elaborate
7. In what ways has mobile deposits been beneficial in influencing financial performance of financial performance of Equity Bank? Please elaborate?
8. Do you perceive mobile banking services to be a good indicator of financial performance of Equity Bank? Please explain further.

APPENDIX 3: LETTER TO THE FIELD



**UGANDA CHRISTIAN
UNIVERSITY, MBALE UNIVERSITY COLLEGE.**
A Centre of Excellence in the Heart of Africa

BUSINESS DEPARTMENT



To EQUITY BANK
MBALE BRANCH

Dear Sir/Madam,

Re: Academic Research

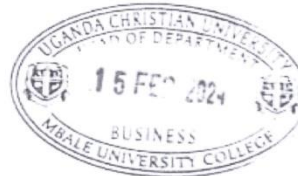
Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss KAGIYA KULUMU
Of Registration Number; 1922/MUC/MBA/001 pursuing a Masters'
Degree/Postgraduate Diploma / Bachelor's Degree
MASTER DEGREE IN BUSINESS ADMINISTRATION .

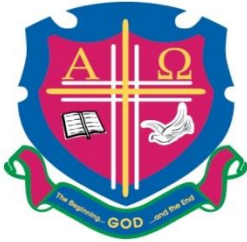
He/ she is required to carry out an academic research on the topic
MOBILE BANKING SERVICE AND FINANCIAL
PERFORMANCE OF FINANCIAL INSTITUTIONS IN EASTERN
UGANDA
and thereafter produce a well bound hard cover research report (MAROON) in color for
undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for
the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.
Thank you.
Yours faithfully,


.....
HEAD OF DEPARTMENT BUSINESS UCU-MUC
Henry Omache Ogachi



APPENDIX 4 POST VIVA COMPLIANCE REPORT



UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

UGANDA CHRISTIAN UNIVERSITY

SCHOOL OF RESEARCH & POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 17/09/2024

Name of Candidate: KULSUM KAGOYA Reg. No: M22/MUC/MBA/001

Title of Dissertation: **MOBILE BANKING SERVICES AND FINANCIAL PERFORMANCE OF FINANCIAL INSTITUTIONS IN EASTERN UGANDA, A CASE STUDY OF EQUITY BANK (LTD), MBALE BRANCH**

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	The title of the research should be improved on to read “ <i>a case instead of Cases study</i> ”	Research Title improved	Cover page
2	I wonder why the cover page indicated submitted to the department of Business yet others indicate school. The ownership of the programme should be designated to the school as best practice.	Cove page reading submitted to the school of business	Cover page
3	Generally well-structured but there are issues with referencing	Referencing generally improved	General doc
4	The use of non-academic sources as the only citations in the problem statement should be avoided at all costs. Use of internal reports that are not available to the public cannot be an appropriate way of bringing out the problem statement.	Academic documents introduced in the statement of the problem	Pg..9
5	That arrow in the conceptual framework has a meaning. Let the Conceptual framework be reviewed to clearly represent the objectives stated.	Conceptual framework reviewed to clearly represent objectives of the state	Pg..12
6	There are indications of plagiarism when the student refers to hypotheses, yet there are none in this study stated in chapter one. Care should be taken to rule this out.	Hypotheses Removed.	Pg..1 & 31,
7	There is a lot of information presented in this section with limited reference to the objectives stated in chapter 1. It appears the student is simply dumping findings without focusing on the objectives. The objectives were to establish effect of the IV indicator variables on performance but what is presented starts from relationship, both bivariate and multivariate, goes	Findings presented in line with the objectives of the study by excluding the Pearson correlation and using regression to represent effect.	Chapter 4, 5 & 6

	to regressions in the same without linking them to the objectives. This scares me as it points towards plagiarism		
8	Numerous references cited in the text are missing in the references. The candidate MUST ensure that all sources cited in the text are included in the references list to ensure that She does not commit plagiarism, which is an academic capital Offence.	References list modified to include all those in the text.	Entire document

SN	COMMENTS BY INTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	It contains some statements without substantiating which is not in line with academic stipulates known to the reviewer. It contains some grammatical errors, which needs to be attended to.	Grammatical errors addressed and references made	Entire document
2	Great effort to the study problem, however, the candidate can improve on this section by providing credible statistics clearly showing the trend of financial performance.	Credible statistics that explain the problem introduced	Pg.9
3	The candidate needs to improve on significance section and provide more explanation to the various categories of stakeholders and how they will benefit from this study.	Significance section improved to explain how the study will be of use to various stakeholders	Pg.11
4	The candidate should avoid use of old sources of information unless where inevitable. The candidate should highlight the gaps that needs to be filled by the study, and pointing out the weaknesses of the studies or the deficiencies in the literature and how the present study has or will address them. The candidates should also show how the theories inform the study objectives.	Old sources only used where necessary	Entire document
	Following from the methods used, the candidate presented the findings in a	Regression analyses resulted revisited and	Pg. 41-50

	standard format. What is less clear is how the findings from the regressions analyses are generated and interpreted	addressed to fit the study	
	The candidate made a good summary of findings and how they compared with findings from other studies. This section is fairly well presented and concise in structure and content. However, the candidate should include a section for the response rate at the start of the chapter.	Respondent rate section introduced	Pg. .29
	Conclusion and recommendation should be in line with the current study findings or shortcomings	The section on conclusion and recommendation addressed in line with the current study	Pg. 50-59

SN	COMMENTS BY VIVA VOCE PANNEL	ACTION TAKEN	INDICATOR
1	Descriptive average mean values in chapter four are high and do not tally with the regression coefficient results. The latter should be modified to increase values	Regression coefficient results modified to tally with descriptive average mean values obtained in chapter four	Pg 33-50
2			
3			

LAGOYA KUSUMI Kusumi MAENA DANIEL [Signature]
Candidate's Name Signature Supervisor's Name Signature