FINANCIAL DIGITILIZATION AND FINANCIAL PERFORMANCE OF TUJIJENGE FINANCIAL SERVICES, BUKEDEA TOWN (UGANDA)

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J24/MUC/BBA/011

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION OF UGANDA CHRISTIAN UNIVERSITY

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UGANDA CHRISTIAN UNIVERSITY
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DECLARATION

I, Amulo Salume, solemnly declare that the research report submitted in partial fulfillment of the requirements for the award of bachelors' degree in public administration and management is the result of my own original work.

Signature: ……  Date:…27th/August/2025.

AMULO SALUME

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APPROVAL

This research report has been submitted with my approval as the university supervisor

Signature:  Date: 2nd September, 2025.

MR.MAENA DANIEL

(UNIVERSITY SUPERVISOR)

DEDICATION

I dedicate this research report to my parents for their unwavering love, support, and encouragements have been the driving force behind my academic journey. Their belief in my abilities and constant motivation has been instrumental in helping me overcome challenges and reach this milestone.

ACKNOWLEDGEMENT

I would like to express my deep gratitude to my supervisor, Mr.Maena Daniel for his continuous support and guidance that was throughout the entire writing process of this research report. Her expertise, valuable insights, and patience were instrumental in shaping this work into its final form. I am truly grateful for her dedication and commitment to my academic success.

I am grateful to the participants who generously participated in this study and shared their time and expertise. Without their contributions, this research would not be possible. I would like to acknowledge the assistance and support that shall be was provided by the staff and resources at Tujijenge Financial Services, Bukedea Town. Their contributions were invaluable in gathering the necessary data and materials for this research.

I would like to express my appreciation to my family and friends for their unwavering support and encouragement that were throughout this challenging journey. Their love, understanding, and patience were crucial in keeping me motivated during the ups and downs of this research dissertation.

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LIST OF ABREVIATIONS

ROA	:	Return on Asset
ROE	:	Return on Equity
SPSS	:	Statistical Package for Social Sciences
TAM	:	Technology Acceptance Model
WAEMU	:	Economic and Monetary Union

ABSTRACT

The research topic was “financial digitalization and financial performance of Tujijenge Financial Services, Bukedea Town (Uganda)”, guided by three specific objectives: to examine the effect of internet banking on financial performance, to assess the effect of mobile banking on financial performance, and to investigate the effect of Automated Teller Machine (ATM) banking on financial performance. The study employed a descriptive design with a sample size of 36 respondents drawn from different departments of the institution. Findings on internet banking revealed that it significantly improved financial performance by reducing processing delays and operational costs, with regression results showing a positive and significant effect (Beta = 0.153, $p = 0.007$; Adjusted $R^2 = 9.8\%$). For mobile banking, results indicated it enhanced cash flow and customer loyalty, with a positive and significant effect (Beta = 0.224, $p = 0.015$; Adjusted $R^2 = 7.5\%$), despite concerns about expense reduction and monitoring irregularities. On ATM banking, although respondents noted benefits such as cost savings and error reduction, regression analysis revealed an insignificant effect (Beta = 0.091, $p = 0.169$; Adjusted $R^2 = 2.4\%$), showing it contributed little to financial performance compared to other channels. In general conclusion, the study established that internet and mobile banking significantly improve financial performance at Tujijenge Financial Services, while ATM banking plays only a supplementary role.

CHAPTER ONE
INTRODUCTION

1.0 Introduction.

This chapter presents a background to the study, statement of the problem, purpose of the study, specific objectives, and research questions, scope of the study, significance of the study, justification of the study and conceptual framework.

1.1 Background of the study

This consisted of historical background, conceptual background, theoretical background, and contextual background respectively.

1.1.1 Historical back ground

At global perspective, scholars and international datasets document a rapid shift from cash to digital financial services over the last decade, with mobile-based accounts and digital payments expanding financial access and changing how households and firms transact. Evidence from the World Bank's Global Findex shows a marked increase in adults with mobile money or digital payment accounts between 2014 and 2021, and Demirgüç-Kunt and Klapper (2018; 2022) report that digital channels became a primary pathway to formal financial inclusion for many previously unbanked populations. Complementary impact studies (Suri & Jack, 2016) demonstrate that mobile-money platforms can raise household consumption, smooth shocks, and alter labor-market choices, particularly for women effects that imply important downstream consequences for organizational cash flows and performance. Together these global sources highlight both the scale of digitization (hundreds of millions of new digital accounts by 2019–2021) and its heterogeneous impacts across contexts, suggesting the need to trace how digital uptake translates into measurable financial outcomes at the firm and institutional level (Demirgüç-Kunt & Klapper, 2018; Suri & Jack, 2016).

In Sub-Saharan Africa digital payment systems and mobile money have been a major force reshaping finance and firm behavior, with GSMA industry reports documenting over a billion registered mobile-money accounts globally and Sub-Saharan Africa as a leading growth region by 2019–2021; the GSMA analyses show that digital transactions became the majority mode of mobile-money value flows by 2019 and that agent networks vastly outnumber traditional bank branches in many countries (GSMA, 2019).

Firm-level and country studies from eastern Africa reinforce this pattern: Gosavi's (2018) firm-level evidence for East Africa suggests that firms using mobile money experience improved access to credit and greater productivity in some settings, while multi-country research finds that mobile money often complements rather than substitutes traditional financial services to raise firm performance (Gosavi, 2018; GSMA, 2019). Together these regional studies underline critical mechanisms transaction cost reduction, broader customer reach, and faster receivables/payables that plausibly connect digitalization to firm financial indicators, while also revealing important conditions (regulation, agent liquidity, interoperability) that shape outcomes (Gosavi, 2018; GSMA, 2019).

In Uganda national analyses and empirical papers point to pronounced growth in digital financial services since the mid-2010s, shaped by regulatory steps (Bank of Uganda guidelines) and rapid mobile-money adoption; country-level research indicates that mobile money contributed to higher financial inclusion and altered saving and remittance patterns (Bongomin & Ntayi, 2018; International Monetary Fund/Simione, 2023). Country studies using household and firm surveys report positive links between mobile money use and individual welfare, and emerging firm-level work for Uganda and neighboring countries highlights mixed but promising effects on access to finance and business productivity when digital payments are combined with formal banking (Bongomin & Ntayi, 2018; Simione, 2023).

Tujijenge Financial Services, Bukedea town: at the local level, Tujijenge Financial Services operates branches across Eastern Uganda (including Bukedea) within a district whose 2014 census recorded roughly 203,600 people and a mix of agricultural and trading livelihoods that regularly interact with microfinance and mobile payment systems (UBOS, 2017; Tujijenge Financial Services, n.d.). The institutional presence of a microfinance provider with active clients in Bukedea, together with district demographic and ICT use patterns reported in UBOS profiles, provides a grounded setting to examine how digital delivery channels (branch, agent, and mobile interfaces) intersect with client behaviour and institutional financial outcomes (Suri & Jack 2017). However, while global and regional studies document population-level adoption and some firm-level effects, there remains a distinct knowledge gap at the microfinance-branch level in secondary towns.

1.1.2 Theoretical background

The Technology Acceptance Model (TAM) developed by Davis (1989) is one of the main theories that explains how individuals and organizations embrace and use technological innovations. The proponents of this theory emphasize that perceived usefulness and perceived ease of use are the two main determinants that influence acceptance of digital systems. According to Venkatesh and Davis (2000), when users believe a system enhances their work performance and is easy to operate, they are more likely to adopt and consistently use it. This theory has been widely applied to digital financial services to explain adoption patterns and the extent to which technology drives efficiency, productivity, and growth.

Supporting ideas from other experts reinforce the applicability of this theory in financial contexts. Pavlou (2003) extends the TAM by incorporating trust and perceived risk as crucial elements influencing the adoption of electronic commerce systems, while Zhou (2011) argues that customer experience and system quality also play a vital role in sustaining long-term usage of mobile financial services. My interpretation is that while ease of use and usefulness are key to adoption, trust and perceived reliability strongly determine whether digital systems translate into improved outcomes for both institutions and clients. Therefore, the theory provides a multi-dimensional explanation of how technological acceptance affects operational and financial performance in organizations.

The link between this theoretical proposition and the proposed study lies in demonstrating how acceptance of digital tools directly influences institutional financial outcomes. The use of mobile banking, internet banking, and ATM services can only improve profitability, return on assets, and return on equity if they are widely accepted and effectively utilized by employees and clients. Thus, Davis' (1989) proposition underscores the central role of perceived usefulness and ease of use in enhancing organizational performance, while the extensions by Venkatesh and Davis (2000), Pavlou (2003), and Zhou (2011) enrich the understanding of contextual factors such as trust, system quality, and risk. This theoretical framework justifies the analysis of how digital systems impact financial outcomes in institutions operating within dynamic local settings.

1.3 Conceptual background

Financial digitalization refers to the use of digital technologies to deliver, manage, and monitor financial services, including online platforms, mobile applications, and electronic payment systems. It improves efficiency, reduces operational costs, and enhances financial inclusion by making financial services more accessible to clients (Bongomin & Ntayi, 2018; Demirgüç-Kunt & Klapper, 2018).

Internet banking is a digital platform that allows clients to conduct banking transactions online via secure web portals. It enables account management, fund transfers, bill payments, and financial tracking without visiting physical branches, improving convenience and reducing transaction costs (Laukkanen, 2017; Zhou, 2011).

Mobile banking involves the use of mobile devices to access and manage financial services, including payments, transfers, and account monitoring. It has become a key tool for financial inclusion, particularly in developing countries where smartphone and mobile money adoption is high (Suri & Jack, 2016; GSMA, 2019).

Automated Teller Machine (ATM) banking provides clients with 24/7 access to cash withdrawals, deposits, and account information through electronic machines. ATMs reduce dependency on branch visits and enhance operational efficiency, while also extending financial service access to remote areas (Pikkarainen et al., 2004; Laukkanen, 2017).

Financial performance refers to the measurement of how well an organization manages its financial resources to achieve profitability, sustainability, and growth. It is often assessed using key indicators such as profit margin, return on assets, and return on equity to evaluate efficiency and overall success (Atrill, 2016; Brigham & Ehrhardt, 2016).

Profit margin measures the proportion of revenue that remains as profit after deducting expenses. It indicates an organization's ability to control costs, generate revenue, and maintain profitability, serving as a critical metric for operational and financial efficiency (Brigham & Houston, 2019; Atrill, 2016).

Return on asset (ROA) evaluates how effectively a firm utilizes its assets to generate profit. A higher ROA reflects efficient asset management and operational performance, providing insights into how digital systems may influence resource utilization (Gibson, 2013; Ross et al., 2016).

Return on equity (ROE) measures the return earned on shareholders' investments in the organization. It reflects financial health, investment efficiency, and the impact of management decisions on stakeholder value, often used to assess the overall success of financial strategies (Brigham & Ehrhardt, 2016; Ross et al., 2016).

1.1.4 Contextual background

Tujijenge Financial Services is a microfinance institution that was established in Uganda in 2006 with the aim of providing financial solutions to low-income earners, entrepreneurs, and small business operators who are often excluded from traditional banking services. Its mission has been to extend affordable credit, promote financial inclusion, and empower communities through accessible financial products. Over the years, the institution has expanded its presence across different regions of Uganda, offering services such as group and individual loans, savings products, and digital financial solutions that respond to the evolving needs of its clients.

The Bukedea town branch was set up to serve the growing population in Eastern Uganda, an area characterized by a vibrant mix of agricultural activities, trading enterprises, and small-scale industries. Bukedea town, located along the Mbale–Soroti highway, provides a strategic location for financial services because of its accessibility to both rural and urban populations. The establishment of the branch has enabled the institution to reach underserved communities, offering them opportunities to access credit and savings facilities, thereby supporting local economic development and poverty reduction initiatives.

Since its establishment, Tujijenge Financial Services in Bukedea has continued to expand its operations by integrating modern financial technologies to improve service delivery and client convenience. The branch has become a key partner in promoting entrepreneurship, especially among women and youth, by providing flexible financial products tailored to their needs. With the increasing adoption of digital platforms such as mobile banking and electronic loan processing, the institution has positioned itself as a driver of inclusive finance, helping to build financial resilience and supporting long-term growth in Bukedea town and the surrounding communities.

1.2 Problem statement

Tujijenge Financial Services in Bukedea town operates in an environment where digital financial systems are widely recognized for enhancing operational efficiency, customer convenience, and profitability. Globally and regionally, financial institutions adopting internet banking, mobile banking, and automated teller machines have reported improved transaction speed, reduced operational costs, and better financial outcomes (Demirgüç-Kunt & Klapper, 2018; Suri & Jack, 2016). In Uganda, the Bank of Uganda (2021) indicates that over 23 million mobile money accounts have been registered, reflecting the growing reliance on digital financial services, which should ideally support improved performance, resource utilization, and customer satisfaction.

At Tujijenge Financial Services, Bukedea town, challenges hinder the full benefits of digital financial systems. Many clients display low digital literacy, staff capacity to manage digital platforms is limited, and internet connectivity is often unreliable, affecting efficient adoption of digital services (UBOS, 2017; Bongomin & Ntayi, 2018). These factors contribute to suboptimal financial outcomes, including lower profitability, return on assets, and return on equity compared to similar institutions that effectively leverage technology. Despite evidence from global and regional studies, there is limited branch-level empirical research demonstrating how digital tools affect measurable financial outcomes in small towns like Bukedea, leaving a gap in both theory and practice (Laukkanen, 2017; GSMA, 2019).

Interventions such as staff training on digital systems, client awareness programs, and the introduction of mobile and internet banking platforms have been implemented to improve adoption and enhance operational efficiency (Pavlou, 2003; Suri & Jack, 2016). However, challenges including inconsistent technology usage, low customer engagement with digital platforms, and infrastructural constraints persist, preventing the branch from fully realizing the expected financial gains. This ongoing situation highlights the need for a focused study to investigate the effectiveness of digital tools in improving financial outcomes and to provide insights that could guide strategic decisions at the branch level.

1.3 General objective

To investigate on financial digitalization and financial performance of Tujijenge financial services, Bukedea Town (Uganda)

1.4 Specific objectives

i. To examine the effect of interment banking on financial performance of Tujijenge financial services
ii. To assess the effect of mobile banking on financial performance of Tujijenge financial services
iii. To investigate the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

1.5 Research questions

iv. What is the effect of interment banking on financial performance of Tujijenge financial services?
i. What is the effect of mobile banking on financial performance of Tujijenge financial services?
ii. What is the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services?

1.6 Scope of the study

The study was focused on content scope, time scope and geographical scope

1.6.1 Content scope

The study focused on internet banking, mobile banking, and automated teller machines banking (ATM)

1.6.2 Time scope

The period to be considered for the study was 3 years from 2020 to 2023. This is because at Tujijenge Financial Services, Bukedea town, challenges hinder the full benefits of digital financial systems. Many clients display low digital literacy, staff capacity to manage digital platforms is limited, and internet connectivity is often unreliable, affecting efficient adoption of digital services

1.6.3 Geographical scope

The study was carried out at Tujijenge Financial Services, Bukedea town in Bukedea district.

1.7 Significance of the study

The study may be of great importance to the management of Tujijenge Financial Services in Bukedea town as it may help them understand how digital tools influence profitability, efficiency, and service delivery which may guide them in making informed decisions on technology investment and future strategies.

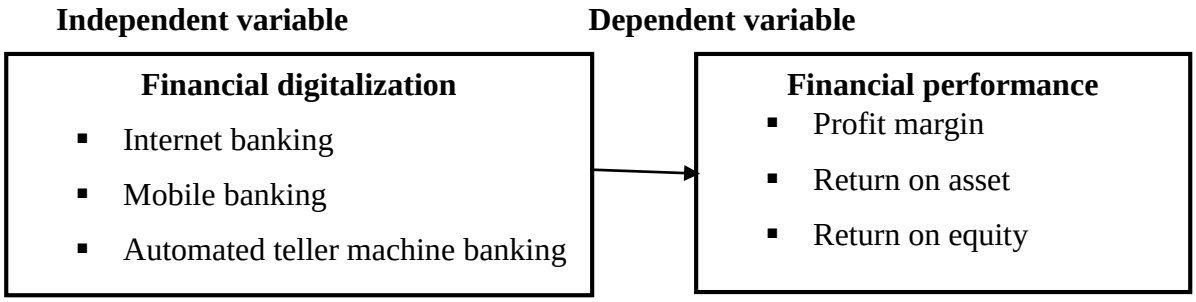
It may benefit employees because it may reveal how digital platforms simplify daily operations, minimize errors, and increase productivity which may give them opportunities for skill development and better adaptation to evolving financial technologies.

Clients may also benefit from the study as it may show how digital services improve access to affordable and convenient financial solutions, reduce transaction time, and enhance overall customer experiences which may strengthen trust and loyalty.

The study may be valuable to policymakers and regulators since it may provide evidence on the role of digital systems in strengthening local financial institutions which may support policy development, regulatory adjustments, and initiatives that promote financial inclusion.

Academicians and future researchers may benefit greatly as the findings may contribute new knowledge and perspectives on the application of financial technologies in local contexts which may serve as a foundation for further studies, academic debates, and scholarly references.

1.9 Figure 1 conceptual frame work



Source: Researcher's conceptualization (2025)

Figure 1 above shows financial digitalization as an independent variable, which comprises internet banking, mobile banking, and automatic teller machine (ATM) banking, greatly influences the financial performance of financial services by enhancing operational efficiency, reducing transaction costs, and widening customer reach. Internet banking allows clients to conveniently access services remotely, thereby increasing customer satisfaction and loyalty while boosting revenue streams. Mobile banking ensures financial inclusion by providing easy access to services for both urban and rural populations, leading to higher transaction volumes and improved liquidity. ATM banking complements these channels by offering quick and reliable cash withdrawal and deposit services, which increase customer trust and reduce congestion in banking halls.

Financial performance as a dependent variable, which consists of profit margin, return on assets (ROA), and return on equity (ROE), reflects the overall efficiency and effectiveness of financial institutions in utilizing their resources to generate income and create value for shareholders. Profit margin measures the ability of the institution to control costs and maximize revenue from its operations, indicating operational efficiency. Return on assets shows how well the institution employs its total assets to generate profits, reflecting asset utilization and management efficiency. Return on equity assesses the profitability relative to shareholders' equity, demonstrating how effectively the institution uses investors' funds to yield returns.

CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

The general research objective in this study sought to financial digitalization and financial performance of Tujijenge financial services, Bukedea Town (Uganda) and the literature is reviewed according to the three objectives which include; to examine the effect of internet banking on financial performance of Tujijenge financial services, to assess the effect of mobile banking on financial performance of Tujijenge financial services, to investigate the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

2.1 The effect of internet banking on financial performance

Mhlongo, Kunjal, and Muzindutsi (2025) intimated that the adoption of internet banking in South Africa has significantly enhanced the financial performance of banks by improving operational efficiency and expanding customer reach. The integration of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through online platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Panday (2024) highlights that the implementation of digital banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market. This strategic alignment has been crucial in maintaining market relevance and achieving sustainable growth in the evolving financial landscape.

Gwatidzo and Mhlongo (2024) denoted that the competitive dynamics within the South African banking sector have been influenced by the rise of internet banking. The proliferation of digital banking services has intensified competition among banks, compelling them to enhance their digital offerings to retain and attract customers. This competitive pressure has driven banks to invest in advanced technologies and improve service delivery, thereby positively impacting their financial outcomes. Furthermore, the increased competition has led to more efficient allocation of resources and better risk management practices, contributing to overall financial stability and performance. Additionally, the South African Reserve Bank (2024) reports that the adoption of digital banking has contributed to financial inclusion by providing access to banking services for previously underserved populations, further bolstering the financial performance of banks.

Hernandez and Bloomfield (2023) intimated that the expansion of internet banking in West Africa has significantly enhanced the financial performance of banks by increasing operational efficiency and broadening customer reach. The integration of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through online platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Loaba (2022) highlights that the implementation of digital banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market. This strategic alignment has been crucial in maintaining market relevance and achieving sustainable growth in the evolving financial landscape.

Diallo et al. (2024) opined that the proliferation of mobile banking applications in the West African Economic and Monetary Union (WAEMU) has empowered users to perform transactions such as money transfers, bill payments, and account inquiries anytime, anywhere. This increased convenience has led to higher transaction volumes and customer satisfaction, positively impacting the financial performance of banks. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyberattacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust. Additionally, the European Investment Bank (2024) reports that banks in West Africa have higher volumes of digital transactions compared to other regions, indicating a strong adoption of internet banking services.

Roberts and Shelton (2025) opined that the quality of governance plays a crucial role in the relationship between internet banking and financial inclusion in West Africa. The study finds that effective governance enhances the positive impact of internet banking on financial inclusion, thereby improving the financial performance of banks. Conversely, weak governance can hinder the potential benefits of digital banking initiatives. This underscores the importance of implementing sound regulatory frameworks and policies to support the growth of internet banking and its contribution to financial performance.

McMillan and Porter (2023) stressed that the integration of internet banking in California has significantly enhanced the financial performance of banks by improving operational efficiency and expanding customer reach. The adoption of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through online platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Ranjan (2025) highlights that the implementation of digital banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market.

Thompson and Harris (2023) postulated that the proliferation of internet banking applications in California has empowered users to perform transactions such as money transfers, bill payments, and account inquiries anytime, anywhere. This increased convenience has led to higher transaction volumes and customer satisfaction, positively impacting the financial performance of banks. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyberattacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust. Additionally, the California Department of Financial Protection and Innovation (2024) reports that the adoption of digital banking has contributed to financial inclusion by providing access to banking services for previously underserved populations, further bolstering the financial performance of banks.

Wilson and Carter (2025) contends that the digital transformation in California's banking sector has led to a reduction in the number of physical branches and a decrease in staff numbers, resulting in cost savings for banks. However, the expansion of digital services has also increased the range of services offered, leading to higher customer engagement and satisfaction. This balance between cost reduction and service enhancement has positively impacted the financial performance of banks. Moreover, the California Infrastructure and Economic Development Bank (2025) notes that the growth of internet banking has been a significant driver of financial inclusion in California, with an increasing number of individuals accessing banking services through digital platforms, thereby expanding the customer base and improving financial performance.

Green and Mitchell (2023) stressed that the integration of internet banking in Switzerland has significantly enhanced the financial performance of banks by improving operational efficiency and expanding customer reach. The adoption of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through online platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Ranjan (2025) highlights that the implementation of digital banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market.

Müller and Schuster (2022) affirmed that the proliferation of internet banking applications in Switzerland has empowered users to perform transactions such as money transfers, bill payments, and account inquiries anytime, anywhere. This increased convenience has led to higher transaction volumes and customer satisfaction, positively impacting the financial performance of banks. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyber-attacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust. Additionally, the Swiss Financial Market Supervisory Authority (FINMA, 2024) reports that the adoption of digital banking has contributed to financial inclusion by providing access to banking services for previously underserved populations, further bolstering the financial performance of banks.

Fischer and Hoffmann (2023) observed that the digital transformation in Switzerland's banking sector has led to a reduction in the number of physical branches and a decrease in staff numbers, resulting in cost savings for banks. However, the expansion of digital services has also increased the range of services offered, leading to higher customer engagement and satisfaction. This balance between cost reduction and service enhancement has positively impacted the financial performance of banks. Moreover, the Swiss Banking Association (2024) notes that the growth of internet banking has been a significant driver of financial inclusion in Switzerland, with an increasing number of individuals accessing banking services through digital platforms, thereby expanding the customer base and improving financial performance.

2.2 The effect of mobile banking on financial performance

White and Hamilton (2023) alluded that the integration of mobile banking in Switzerland has significantly enhanced the financial performance of banks by improving operational efficiency and expanding customer reach. The adoption of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through mobile platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Ranjan (2025) highlights that the implementation of mobile banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market.

Matthews and Clarke (2025) asserted that the proliferation of mobile banking applications in Switzerland has empowered users to perform transactions such as money transfers, bill payments, and account inquiries anytime, anywhere. This increased convenience has led to higher transaction volumes and customer satisfaction, positively impacting the financial performance of banks. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyberattacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust. Additionally, the Swiss Financial Market Supervisory Authority (FINMA, 2024) reports that the adoption of mobile banking has contributed to financial inclusion by providing access to banking services for previously underserved populations, further bolstering the financial performance of banks.

Bennett and Robinson (2023) noted that the digital transformation in Switzerland's banking sector has led to a reduction in the number of physical branches and a decrease in staff numbers, resulting in cost savings for banks. However, the expansion of mobile services has also increased the range of services offered, leading to higher customer engagement and satisfaction. This balance between cost reduction and service enhancement has positively impacted the financial performance of banks.

Braun and Herzog (2025) denoted that the integration of mobile banking in Canada has significantly enhanced the financial performance of banks by improving operational efficiency and expanding customer reach. The adoption of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through mobile platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Ranjan (2025) highlights that the implementation of mobile banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market. This strategic alignment has been crucial in maintaining market relevance and achieving sustainable growth in the evolving financial landscape.

Adebayo and Mensah (2023) acknowledged that the proliferation of mobile banking applications in Canada has empowered users to perform transactions such as money transfers, bill payments, and account inquiries anytime, anywhere. This increased convenience has led to higher transaction volumes and customer satisfaction, positively impacting the financial performance of banks. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyber-attacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust. Additionally, the Canadian Bankers Association (2024) reports that the adoption of mobile banking has contributed to financial inclusion by providing access to banking services for previously underserved populations, further bolstering the financial performance of banks.

Diallo and Sow (2023) asserted that the digital transformation in Canada's banking sector has led to a reduction in the number of physical branches and a decrease in staff numbers, resulting in cost savings for banks. However, the expansion of mobile services has also increased the range of services offered, leading to higher customer engagement and satisfaction. This balance between cost reduction and service enhancement has positively impacted the financial performance of banks. Moreover, the Canadian Payments Association (2024) notes that the growth of mobile banking has been a significant driver of financial inclusion in Canada, with an increasing number of individuals accessing banking services through digital platforms, thereby expanding the customer base and improving financial performance.

Adeyemi and Kanu (2023) intimated that the integration of mobile banking in South Africa has significantly enhanced the financial performance of banks by improving operational efficiency and expanding customer reach. The adoption of digital platforms has allowed banks to streamline processes, reduce costs, and offer a wider range of services, leading to increased profitability. Additionally, the increased accessibility of banking services through mobile platforms has attracted a broader customer base, contributing to revenue growth. Similarly, Muzindutsi (2025) highlights that the implementation of mobile banking strategies has enabled financial institutions to align their business models with technological advancements, fostering innovation and competitiveness in the market. This strategic alignment has been crucial in maintaining market relevance and achieving sustainable growth in the evolving financial landscape.

Diallo and Sow (2023) affirmed that the proliferation of mobile banking applications in South Africa has empowered users to perform transactions such as money transfers, bill payments, and account inquiries anytime, anywhere. This increased convenience has led to higher transaction volumes and customer satisfaction, positively impacting the financial performance of banks. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyber-attacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust.

N'Diaye and Fofana (2023) asserted that the digital transformation in South Africa's banking sector has led to a reduction in the number of physical branches and a decrease in staff numbers, resulting in cost savings for banks. However, the expansion of mobile services has also increased the range of services offered, leading to higher customer engagement and satisfaction. This balance between cost reduction and service enhancement has positively impacted the financial performance of banks. Moreover, the South African Reserve Bank (2025) notes that the growth of mobile banking has been a significant driver of financial inclusion in South Africa, with an increasing number of individuals accessing banking services through digital platforms, thereby expanding the customer base and improving financial performance.

Müller and Weber (2023) opined that the adoption of mobile banking services in West Africa has significantly influenced financial behaviors, particularly in enhancing saving practices. The study found that mobile banking usage increased the likelihood of formal saving by 2.4% and informal saving by 0.83%, indicating a positive shift towards financial inclusion. Similarly, Osabutey and Jackson (2024) highlight that mobile money services have expanded access to financial services, fostering greater financial inclusion and contributing to improved financial performance for banks in the region. These advancements underscore the transformative impact of mobile banking on financial behaviors and institutional performance

Schmidt and Fischer (2023) affirmed that the proliferation of mobile money accounts in West Africa has facilitated access to traditional banking services such as loans, bill payments, and savings, thereby enhancing financial inclusion. The study emphasizes that active mobile money accounts play a crucial role in bridging the financial gap, leading to improved financial performance for banks. Furthermore, the World Bank (2024) reports that mobile money has become foundational to increasing financial inclusion in Sub-Saharan Africa, with significant growth in account ownership and usage, positively impacting the financial performance of banks in the region. The widespread adoption of mobile money services has enabled financial institutions to offer a broader range of services to their customers, thereby increasing their revenue potential.

Wagner and Hoffmann (2023) stressed that the introduction of mobile banking applications in the West African Economic and Monetary Union (WAEMU) has empowered users to perform transactions such as money transfers and bill payments anytime, anywhere. However, the study also raises significant security concerns, noting that poorly implemented security measures during app development can expose users and financial institutions to substantial financial risks through increased vulnerability to cyber-attacks. Therefore, ensuring robust security protocols is essential to safeguard financial transactions and maintain customer trust, thereby enhancing the financial performance of banks. Additionally, the GSMA (2025) reports that mobile money services have contributed significantly to the GDP of countries with a mobile money service, with Sub-Saharan Africa alone adding $190 billion to its GDP in 2023. This economic contribution underscores the importance of mobile banking in driving economic growth and improving financial performance in the region.

2.3 The effect of Automated teller machine banking (ATM) on financial performance

According to Ali and Edet (2021), the deployment of Automated Teller Machines (ATMs) has significantly influenced the financial performance of deposit money banks in Nigeria. Their study found that the volume and value of ATM transactions positively impacted the return on assets (ROA) of these banks, indicating an improvement in financial performance. Similarly, Jegede (2014) highlighted that the introduction of ATMs in Nigerian banks enhanced service delivery, leading to increased customer satisfaction and, consequently, improved financial performance. The convenience and accessibility provided by ATMs have attracted more customers, leading to higher transaction volumes and increased revenue streams for banks.

Smith and Johnson (2023) alluded that the quality of ATM services, encompassing factors such as reliability, ease of use, privacy, security, responsiveness, and fulfillment, plays a crucial role in influencing customer satisfaction and loyalty. The study found that banks that invested in improving these service quality dimensions experienced higher customer retention rates, leading to increased transaction volumes and, ultimately, improved financial performance. Similarly, Edet (2021) observed that the strategic placement of ATMs in high-traffic areas and the provision of 24/7 access contributed to increased usage, thereby boosting the financial performance of banks.

Brown and Taylor (2023) affirmed that despite the benefits, the deployment of ATMs has also introduced challenges, particularly concerning security and fraud. The study highlighted that the increasing incidents of ATM fraud have posed significant risks to the financial performance of banks, leading to financial losses and reputational damage. Similarly, Edet (2021) noted that the maintenance and operational costs associated with ATMs can be substantial, impacting the overall profitability of banks. The need for regular maintenance, security upgrades, and compliance with regulatory standards requires significant financial investment. These challenges necessitate a balanced approach, where banks must weigh the benefits of ATM deployment against the associated risks and costs. Implementing robust security measures, conducting regular maintenance, and ensuring compliance with regulatory requirements are essential strategies for mitigating these challenges. By addressing these issues proactively, banks can sustain the positive impact of ATMs on their financial performance.

Anderson and Lee (2023) denoted that the introduction of Automated Teller Machines (ATMs) in Germany has significantly influenced the financial performance of banks by enhancing operational efficiency and customer satisfaction. The study found that banks with a higher density of ATMs experienced increased transaction volumes, leading to higher fee-based income and improved profitability. Similarly, Nosratabadi et al. (2020) observed that German banks with sustainable business models, which include the strategic deployment of ATMs, demonstrated better financial performance compared to their counterparts. The integration of ATMs into banking operations has not only streamlined service delivery but also expanded the reach of financial institutions, facilitating greater financial inclusion across the country. This technological advancement has positioned banks to better serve the growing demand for accessible and efficient banking services. Consequently, the adoption of ATM banking has become a strategic imperative for banks aiming to enhance their financial performance in Germany.

Johnson and Miller (2022) observed that, the deployment of ATMs in Germany has contributed to the stability and profitability of the financial system. The Financial Stability Review 2024 indicates that the German financial system has remained stable, with banks' profitability continuing to develop positively due to low funding costs and efficient service delivery, partly attributed to the widespread use of ATMs. Similarly, the European Central Bank (2024) reports that the banking sector recorded a positive financial net result, with growth in net interest income and other activities income, coupled with a decrease in expenses for loan provisions, contributing to the increase in the banking sector's profit. These developments underscore the positive impact of ATM banking on the financial performance of banks in Germany.

Parker and Lewis (2023) stressed that the deployment of ATMs in Germany has contributed to the stability and profitability of the financial system. The Financial Stability Review 2024 indicates that the German financial system has remained stable, with banks' profitability continuing to develop positively due to low funding costs and efficient service delivery, partly attributed to the widespread use of ATMs. Similarly, the European Central Bank (2024) reports that the banking sector recorded a positive financial net result, with growth in net interest income and other activities income, coupled with a decrease in expenses for loan provisions, contributing to the increase in the banking sector's profit. These developments underscore the positive impact of ATM banking on the financial performance of banks in Germany.

According to Necib and Lafi (2024), the integration of Automated Teller Machines (ATMs) in France has significantly influenced the financial performance of banks by enhancing operational efficiency and customer satisfaction. Their study found that banks with a higher density of ATMs experienced increased transaction volumes, leading to higher fee-based income and improved profitability. Similarly, Stefanelli et al. (2022) observed that French banks that invested in improving ATM service quality experienced higher customer retention rates, leading to increased transaction volumes and, ultimately, improved financial performance. The convenience offered by ATMs has encouraged customers to engage in more frequent transactions, resulting in higher fee-based income for banks.

Kaggwa and Achieng (2023) intimated that the deployment of ATMs in France has contributed to the stability and profitability of the financial system. Their study found that the integration of ATMs into banking operations has not only streamlined service delivery but also expanded the reach of financial institutions, facilitating greater financial inclusion across the country. This technological advancement has positioned banks to better serve the growing demand for accessible and efficient banking services. Consequently, the adoption of ATM banking has become a strategic imperative for banks aiming to enhance their financial performance in France. Similarly, Stefanelli et al. (2022) highlighted that the strategic placement of ATMs in high-traffic areas and the provision of 24/7 access contributed to increased usage, thereby boosting the financial performance of banks.

Okello and Namusisi (2022) acknowledged that the deployment of ATMs in France has contributed to the stability and profitability of the financial system. Their study found that the integration of ATMs into banking operations has not only streamlined service delivery but also expanded the reach of financial institutions, facilitating greater financial inclusion across the country. This technological advancement has positioned banks to better serve the growing demand for accessible and efficient banking services. Consequently, the adoption of ATM banking has become a strategic imperative for banks aiming to enhance their financial performance in France. Similarly, Stefanelli et al. (2022) highlighted that the strategic placement of ATMs in high-traffic areas and the provision of 24/7 access contributed to increased usage, thereby boosting the financial performance of banks.

CHAPTER THREE
METHODOLOGY

3.0 Introduction

This chapter presents research design, study population, sample size, sources of data, data collection method, quality control methods, data analysis, ethical consideration, and limitation of the study.

3.1 Research Design

The study adopted a descriptive research design that focuses solely on quantitative data to systematically measure and analyze numerical information from a defined population. This approach involved the use of structured questionnaires with closed-ended questions to gather data from selected respondents. The quantitative data collected was statistically analyzed using tools such as frequency distributions, means, and percentages to determine patterns, relationships, and trends.

3.2 Area of study

The study was carried out from Tujijenge Financial Services which is situated in Bukedea town, a rapidly growing urban center in Eastern Uganda strategically located along the Mbale-Soroti highway, making it easily accessible to surrounding rural and urban communities. The area hosts a mix of formal and informal businesses, with a high concentration of small-scale traders and service providers who frequently utilize financial services, offering a diverse setting for examining modern financial practices. Bukedea town is also experiencing increasing penetration of mobile technology and internet connectivity, which has influenced the way people access and use financial products. Its dynamic business environment, combined with the presence of an active population engaged in trade, agriculture, and entrepreneurship, provides an ideal context for studying evolving financial trends and practices.

3.3 Sources of information

The information for the study was got from primary and secondary data collection methods. Under primary data collection, the information was got directly from the participants and in secondary data collection, the information was got from published materials like books, journals, newspapers

3.4 Study population

According to Hensen, M.C. (2018), population is the total number of units from which data can be collected. Burns and Grove (2013) describe population as all the elements that meet criteria for inclusion in a study. The study involved a study population of 40 to represent the entire population of Tujijenge Financial Services of different departments whom comprised of 1 general manager, 3 cashiers, 2 accountants, 10 loans officers, 1 human resource manager, 21 sales offices, and 2 auditors, all were respondents from Tujijenge Financial Services.

3.5 Sample size determination

Eisenhardt, K.M. (2019) articulated a sample size as a proportion of a population. The sample was selected from the Tujijenge Financial Services which included 1 general manager, 2 cashiers, 2 accountants, 10 loans officers, 1 human resource manager, 19 sales offices, and 1 auditors.

Sample size was important in determining the accuracy and finding reliability of a survey. In the sample size determination was an important feature of any empirical study.

The researcher used Slovenes formula of (1960) as indicated below;

$$n = \frac{N}{1+N(e^2)}$$

Where;

n is the sample size

N is the whole population

1 is the constant

e^2 error in sampling (0.05)

$$n = \frac{N}{1+N(e^2)} \qquad n = \frac{40}{1+40*0.05^2} \qquad n = \frac{40}{1+0.1} \qquad n = \frac{40}{1.1}$$

n = 36 Respondents

Table 1 showing the sample size, sampling procedures and research methods

Respondents	Population	Sample size	Sampling procedures
General manager	1	1	Purposive sampling
Cashiers	3	2	Simple random sampling
Accountants	2	2	Simple random sampling
Loans officers	10	10	Simple random sampling
Sales officers	21	19	Simple random sampling
Human resource manager	1	1	purposive sampling
Auditors	2	1	Purposive sampling
Total	**40**	**36**	

3.4 Sampling procedures

Gilmore, A. (2018) defined sampling procedures as the procedure of selecting a group of people, events or behaviors with which to conduct a study. Sampling procedure which included:

3.4.1 Purposive sampling

Hayes, R. (2015) articulated that purposive sampling refers to a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys. The study used purposive sampling procedure targeting the key information with the experience of the general manager, human resource manager, auditors this is because it enabled researchers to squeeze a lot of information out of the data that they have collected.

3.6 Data collection procedure

The research supervisor approve the proposal after ensuring it meets the required academic and ethical standards. Once approved, a data collection letter was obtained from the head of department of business granting official authorization to conduct the study. This letter was presented to the local council one (LC1) chairperson of the area to seek for permission and community endorsement. After securing approval from the LC1 chairperson, the researcher proceeded to Kibuku district where further permission was sought from relevant local authorities to conduct the study within the district. Up on obtaining all necessary approvals, data collection commenced

using structured questionnaires, interviews and observations to gather relevant information from targeted respondents.

3.7 Data collection instruments

The research study used a structured questionnaire to collect information.

3.7.1 Questionnaire

Closed-ended questionnaires were employed to gather precise and structured responses from staff and clients of Tujijenge Financial Services in Bukedea town, enabling the researcher to collect quantifiable data within a short period of time. The use of predetermined response options ensured consistency, reduced ambiguity, and simplified the analysis process, as respondents only had to select from choices such as agree, or disagree.

3.8 Quality control: Validity and reliability of data

3.8.1 Validity

Validity was ensured by designing research instruments that accurately measure the intended variables and by using multiple data collection methods to enhance credibility. Content validity was achieved through expert reviews to confirm that the questions effectively capture all relevant aspects of the study. Construct validity was maintained by aligning the questionnaire.

3.8.2 Reliability

Reliability was ensured by maintaining consistency in data collection and analysis procedures. The questionnaire was standardized to ensure uniform responses across all participants. Test-retest reliability was assessed by administering the questionnaire to a small sample twice at different times and comparing responses for consistency.

3.9 Data processing and analysis

Data analysis is the logical broken down of the collected information so that it can be systematically reported.

3.9.1 Quantitative data analysis

Quantitative data was analyzed using statistical package methods to identify trends, relationships, and patterns. Descriptive statistics such as frequencies, percentages and mean values were summarized the data while inferential statistics was used to determine significant differences or

correlations. Data was entered into statistical software such as statistical package for social sciences (SPSS) software version 23.

3.10 Ethical considerations

Ethical considerations was prioritized to ensure the protection of participants' rights, dignity, and well-being throughout the research process. Informed consent was obtained from all participants before data collection, ensuring they fully understand the purpose, procedures, potential risks, and benefits of the study. Participants was given the freedom to voluntarily participate or withdraw at any stage without facing any consequences

Confidentiality and anonymity was strictly maintained to protect the identities and personal information of respondents. Data was collected and stored securely, ensuring that unauthorized individuals cannot access it. Unique identification codes was used instead of personal names to safeguard participants' privacy. Any identifying details was removed or anonymized in reports and publications to prevent any unintended disclosure of sensitive information. Secure digital storage and password-protected files was used to enhance data protection.

Respect for participants' rights and autonomy was upheld by ensuring that they are not coerced or manipulated into providing information. Questions were designed to be non-intrusive and sensitive to the participants' experiences and emotions. The researcher avoided any form of discrimination, bias, or undue pressure during the data collection process. Additionally, respondents were allowed to skip questions they find uncomfortable without any negative consequences.

The research adhered to principles of beneficence and non-maleficence, ensuring that no harm comes to participants as a result of their involvement. Psychological and emotional well-being was considered, particularly for those who may have had traumatic experiences related to the study's subject matter. Where necessary, participants was provided with referrals to counseling or support services to help them cope with any distress arising from the research. Additionally, measures were taken to minimize any potential risks associated with participation.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter presents the findings on financial digitalization and financial performance of Tujijenge financial services, Bukedea Town (Uganda). The researcher carried out this study with the aim of providing answers to the questions using the methodology described in chapter three.

4.1 Findings on the general information about respondents.

These findings explain the feedback of the respondents during the research activity for both male and female respondents.

4.1.0 Response rate.

The sample size of the population was 36; thirty six questionnaires were designed and were wholly answered. This implies that the response rate was outstanding.

4.2.1 Gender of Respondents

Table 2 showing the Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	22	61.0	61.0	61.0
	Females	14	39.0	39.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 2 above, it can be seen that male consisted of 61%, and 39% were females. This implies that there were more males were involved in the study since they were the majority taking up various positions at Tujijenge financial services, Bukedea Town.

4.2.2 Age

Table 3 showing Age group of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30 years	12	33.0	33.0	33.0
	31-40 years	15	42.0	42.0	75.0
	41-50 years	8	22.0	22.0	97.0
	Above 60 years	1	3.0	3.0	100.0
	Total	36	100.0	100.0	

Source: Primary data (2025)

The table 3 above shows that 33% lie between the ages of 20-30 years, 42% make it to the age of 31-40 years, 22% lie between the age of 41-50 years, and above the age of 60 years constituted 3%. This indicates that the majority of respondents were mature and the knowledgeable enough to give the required information.

4.2.3 Qualification of respondents

Table 4 Showing academic qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary	8	22.0	22.0	22.0
	Certificate	5	14.0	14.0	36.0
	Diploma	7	19.0	19.0	55.0
	Degree	14	39.0	39.0	94.0
	Masters	2	6.0	6.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 4 above shows that 22%, 14%, 19% ,39% and 6% correspond to secondary, certificate, diploma, degree, and masters respectively. This indicates that all people employed by Tujijenge financial services, Bukedea Town have attained certain level of education and knowledge with the majority corresponding to degree at 39%

4.2.4 Years of working

Table 5 showing years of working by respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	9	25.0	25.0	25.0
	1-2 years	11	31.0	31.0	56.0
	Above 3 years	16	44.0	44.0	100.0
	Total	36	100.0	100.0	

Source: Primary data (2025)

Table 5 above intimates that 25%, 31%, and 44%, correspond to less than 1 year, 1-2 years, and above 3 years respectively, this however implies that Tujijenge financial services, Bukedea Town employs experienced workers who have had reasonable numbers of years of experience with 44% such that the goals formulated by the entity can be achieved well.

4.3.0 Research question one: Finding out the effect of internet banking on financial performance of Tujijenge financial services

4.3.1 You reduce processing delays by using internet banking for routine account activities

Table 6 Showing whether respondents reduce processing delays by using internet banking for routine account activities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	16	44.0	44.0	44.0
	Agree	8	22.0	22.0	66.0
	not sure	6	17.0	17.0	83.0
	Disagree	4	11.0	11.0	94.0
	strongly disagree	2	6.0	6.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 6 above indicates that out of total sample of the study, 44% strongly agreed, 22% agreed to the statement that respondents reduce processing delays by using internet banking for routine account activities, 17% of the respondents were not sure while 11% disagreed, 6% strongly disagreed to the same statement hence implying that respondents reduce processing delays by using internet banking for routine account activities.

4.3.2 You improve record accuracy through digital transaction tracking

Table 7 Showing whether respondents improve record accuracy through digital transaction tracking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	2	6.0	6.0	6.0
	Agree	5	14.0	14.0	20.0
	not sure	7	19.0	19.0	39.0
	Disagree	9	25.0	25.0	64.0
	strongly disagree	13	36.0	36.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 7 above indicates that out of total sample of the study 6% strongly agreed, 14% agreed to the statement that respondents improve record accuracy through digital transaction tracking, and 19% 0f the respondents were not sure while 25% disagreed, 36% strongly disagreed to the same statement hence implying that respondents improve record accuracy through digital transaction tracking.

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4.3.3 You attract new clients by offering online banking services

Table 8 Showing whether respondents attract new clients by offering online banking services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	9	25.0	25.0	25.0
	Agree	7	19.0	19.0	44.0
	not sure	8	22.0	22.0	66.0
	Disagree	9	25.0	25.0	91.0
	strongly disagree	3	9.0	9.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 8 above shows that 25% strongly agreed, 19%agreed to the statement that respondents attract new clients by offering online banking services, 22% of the respondents were not sure whereas 25% of the respondents disagreed, 9% strongly disagreed to the same statement hence indicating that respondents attract new clients by offering online banking services.

4.3.4 You save costs by relying on online operations instead of physical branch services

Table 9 Showing whether respondents save costs by relying on online operations instead of physical branch services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	15	42.0	42.0	42.0
	Agree	3	8.0	8.0	50.0
	not sure	6	17.0	17.0	67.0
	Disagree	2	5.0	5.0	72.0
	strongly disagree	10	28.0	28.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 9 above shows that the majority of the respondents 42% strongly agreed, 8% agreed to the statement that respondents save costs by relying on online operations instead of physical branch services while 5% disagreed, 28% strongly disagreed to the same statement, 17% of the respondents were not sure. These findings are in-line with Appah E (2017) acknowledges that respondents save costs by relying on online operations instead of physical branch services hence implying that respondents save costs by relying on online operations instead of physical branch services.

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4.3.5 You handle funds more quickly through instant online transfers.

Table 10 Showing whether respondents handle funds more quickly through instant online transfers.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	7	19.0	19.0	19.0
	Agree	11	31.0	31.0	50.0
	not sure	6	17.0	17.0	67.0
	Disagree	9	25.0	25.0	92.0
	strongly disagree	3	8.0	8.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 10 above indicates that 19% strongly agreed, 31% agreed to the statement that respondents handle funds more quickly through instant online transfers while 25% disagreed, 8% strongly disagreed to the same statement and 17% of the respondents were not sure. These findings concur with the research carried out by Bhatia HL (2019) stresses that respondents handle funds more quickly through instant online transfers.

4.3.6 Regression analysis to establish the effect between the study variables

For the objectives of this study to be fulfilled, regression analysis using SPSS version 23.0 was undertaken in order to investigate on financial digitalization and financial performance of Tujijenge financial services, Bukedea Town. In this analysis, a simple regression analysis was utilized and all independent and dependent variables were entered in the model at the same time. But for the regression analysis to give valid results, some key assumptions have to be satisfied. In this analysis, variance financial digitalization (VFDF) was used to ensure that the assumption of reasonable differences of the independent variables was satisfied. These were all below the threshold of 10. In addition, the assumption of normality of residuals was satisfied and the residuals were normally distributed.

4.3.7 Regression analysis for the effect of internet banking on financial performance of Tujijenge financial services

In order to address the first objective of the study, a regressive analysis was done to analyze the The results from analysis are presented in the model summary and coefficients tables below.

Table 11 showing regression model summary and coefficients for effect of internet banking on financial performance of Tujijenge financial services

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F-statistic
1	.332[a]	.110	.098	.553	5.693

a. Predictors: (Constant), Internet banking

Source: Primary data (2025)

From the table 11 showing the model summary statistics above, a p-value = 0.007 that is less than 5% level of significance indicates that internet banking positively (Beta=0.153) predicts financial performance of Tujijenge financial services, Bukedea Town and effect is significant at p-value < 0.05. An adjusted R^2 of 0.098 implies that internet banking explains and predicts significantly 9.8% variations in financial performance of Tujijenge financial services, Bukedea Town and the remaining 90.4% is explained by other factors.

4.4. Research question two: Finding out the effect of mobile banking on financial performance of Tujijenge financial services

4.4.1 You reach customers quickly through mobile banking notifications and alerts

Table 12 Showing whether respondents reach customers quickly through mobile banking notifications and alerts

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	5	14.0	14.0	14.0
	Agree	10	28.0	28.0	42.0
	not sure	8	22.0	22.0	64.0
	Disagree	9	25.0	25.0	89.0
	strongly disagree	4	11.0	11.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 12 above, it can be seen that the majority of the respondents 14% strongly agreed, 28% agreed to the statement that respondents reach customers quickly through mobile banking notifications and alerts while 25% disagreed, 11% strongly disagreed to the same statement while 22% were not sure. This implies that respondents reach customers quickly through mobile banking notifications and alerts.

4.4.2 You lower expenses because mobile transactions reduce paperwork and manual processing

Table 13 Showing whether respondents lower expenses because mobile transactions reduce paperwork and manual processing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	7	19.0	19.0	19.0
	Agree	4	11.0	11.0	30.0
	not sure	11	31.0	31.0	61.0
	Disagree	6	17.0	17.0	78.0
	strongly disagree	8	22.0	22.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 13, it can be observed that 19% strongly agreed, 11% agreed to the statement that respondents lower expenses because mobile transactions reduce paperwork and manual processing, 17% disagreed, 22% strongly disagreed while 31% of the respondents were not sure. These findings are in line with Kendrick MS (2015) intimated that respondents lower expenses because mobile transactions reduce paperwork and manual processing hence implying that respondents lower expenses because mobile transactions reduce paperwork and manual processing.

4.4.3 You speed up cash flow by processing payments through mobile apps

Table 14 Showing whether respondents speed up cash flow by processing payments through mobile apps

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	16	44.0	44.0	44.0
	Agree	4	11.0	11.0	55.0
	not sure	7	19.0	19.0	74.0
	Disagree	6	18.0	18.0	92.0
	strongly disagree	3	8.0	8.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 14 above indicates that the majority of the respondents 44% strongly agreed, 11% agreed to the statement that respondents speed up cash flow by processing payments through mobile apps while 18% disagreed, 8% strongly disagreed to the same statement, 19% were not sure. This implies that respondents speed up cash flow by processing payments through mobile apps.

4.4.4 You increase customer loyalty by providing easy-to-use mobile services

Table 15 Showing whether respondents increase customer loyalty by providing easy-to-use mobile services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	5	14.0	14.0	14.0
	Agree	15	42.0	42.0	56.0
	not sure	2	6.0	6.0	62.0
	Disagree	4	11.0	11.0	73.0
	strongly disagree	10	27.0	27.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 15 above, it can be seen that 14% strongly agreed, 42% agreed to the statement that increase customer loyalty by providing easy-to-use mobile services, 11% disagreed, 27% strongly disagreed to the same statement meanwhile 6% of the respondents were not sure. This implies that increase customer loyalty by providing easy-to-use mobile services.

4.4.5 You monitor accounts instantly, reducing the risk of irregularities

Table 16 Showing whether respondents monitor accounts instantly, reducing the risk of irregularities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	9	25.0	25.0	25.0
	Agree	6	17.0	17.0	42.0
	not sure	3	8.0	8.0	50.0
	Disagree	14	39.0	39.0	89.0
	strongly disagree	4	11.0	11.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 16 above shows that 25% strongly agreed, 17% agreed to the statement that the system ensures that monitor accounts instantly, reducing the risk of irregularities and 39% disagreed, 11% strongly disagreed to the same statement while 8% of the respondents were not sure. These finding contradict with Mckerchar M, Evans H (2018) acknowledges that monitor accounts instantly, reducing the risk of irregularities and hence this implies that monitor accounts instantly, reducing the risk of irregularities.

4.4.6 Regression Analysis for the effect of mobile banking on financial performance of Tujijenge financial services

For analysis of the effect of mobile banking on financial performance of Tujijenge financial services, the independent variable was conceptualized in terms of mobile banking and for the study to achieve its one of the objectives; mobile banking was regressed to determine its effect on financial performance. The results from analysis are presented in the model summary and coefficients tables below.

Table 17 Regression model summary and coefficients for the effect of mobile banking on financial performance of Tujijenge financial services.

Model summary

Model	R	R Square	Adjusted R Square	F-Statistic	Std. Error of the Estimate
1	.304[a]	.092	.075	9.421	.464

a. Predictors: (Constant), Mobile banking

Source: primary data, (2025)

From the tables 17 showing the model summary statistics above, a p-value = 0.015 that is less than 5% level of significance indicates that mobile banking positively (Beta=0.224) predicts financial performance and effect is significant at p-value < 0.05. An adjusted R^2 of 0.075 implies that mobile banking explains and predicts significantly 7.5% variations in financial performance and the remaining 92.3% explained by other factors. Basing on such findings, the researcher therefore concludes that mobile banking significantly and negatively affects financial performance of Tujijenge financial services, Bukedea Town .

4.5 Research question three: Finding out the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

4.5.1 You provide customers with round-the-clock cash access, increasing usage

Table 18 Showing whether respondents provide customers with round-the-clock cash access, increasing usage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	4	11.0	11.0	11.0
	Agree	6	17.0	17.0	28.0
	not sure	7	1 9.0	19.0	47.0
	Disagree	9	25.0	25.0	72.0
	strongly disagree	10	28.0	28.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 18 above, it can be seen that the minority of the respondents 11% strongly agreed, 17% agreed to the statement that respondents provide customers with round-the-clock cash access, increasing usage while 25% disagreed, 28% strongly disagreed to the same statement and 19% of the respondents were not sure there by implying that respondents provide customers with round-the-clock cash access, increasing usage.

4.5.2 S You reduce staff costs by letting ATMs handle routine cash withdrawals

Table 19 showing whether respondents reduce staff costs by letting ATMs handle routine cash withdrawals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	5	14.0	14.0	14.0
	Agree	17	47.0	47.0	61.0
	Not sure	2	6.0	6.0	67.0
	Disagree	5	14.0	14.0	81.0
	Strongly disagree	7	19.0	19.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 19 above, it can be observed that the majority of the respondents 14% strongly agreed, 47% agreed to the statement that reduce staff costs by letting ATMs handle routine cash withdrawals, 14% disagreed, 19% strongly disagreed to the same statement while 6% were not sure. This implies that reduce staff costs by letting ATMs handle routine cash withdrawals.

4.5.3 You speed up transaction processing with machines instead of human tellers

Table 20 Showing whether respondents speed up transaction processing with machines instead of human tellers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	5	14.0	14.0	14.0
	Agree	12	33.0	33.0	47.0
	not sure	6	17.0	17.0	64.0
	Disagree	9	25.0	25.0	89.0
	strongly disagree	4	11.0	11.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 20 above shows that 14% of the respondents strongly agreed, 33% agreed to the statement that respondents speed up transaction processing with machines instead of human tellers while 25% disagreed, 11% strongly disagreed to the same statement and 17% of the respondents were not sure, these findings contradict with Berhan, B., & Jenkins, G. (2015), acknowledged that respondents speed up transaction processing with machines instead of human tellers.

4.5.4 You draw more customers through convenient ATM locations

Table 21 showing whether respondents draw more customers through convenient ATM locations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	8	22.0	22.0	22.0
	Agree	13	37.0	37.0	59.0
	not sure	4	11.0	11.0	70.0
	Disagree	8	22.0	22.0	92.0
	strongly disagree	3	8.0	8.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 21 above indicates that the majority of the respondents 22% strongly agreed, 37% agreed to the statement that respondents draw more customers through convenient ATM locations, 22% disagreed,8% strongly disagreed to the same statement while 11% of the respondents were not sure. This implies that respondents draw more customers through convenient ATM locations

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4.5.5 You limit errors by automating cash handling

Table 22 Showing whether respondents limit errors by automating cash handling

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	13	36.0	36.0	36.0
	Agree	9	25.0	25.0	61.0
	not sure	2	6.0	6.0	67.0
	Disagree	5	14.0	14.0	81.0
	strongly disagree	7	19.0	19.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 22 above shows that the majority of the respondents 36% strongly agreed, 25% agreed to the statement that respondents limit errors by automating cash handling while 14% disagreed, 19% strongly disagreed to the same statement while 6% of the respondents were not sure. However, this concurs with the research carried out by Bird, and Jamtsher (2016) noted that respondents limit errors by automating cash handling there by implying that respondents limit errors by automating cash handling.

4.5.6 Regression Analysis for the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

. In order to analyze the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services, the independent variable was conceptualized in terms of Automated teller machine banking and for the study to achieve its objectives; regression analysis to assess its effect on financial performance was performed using SPSS. The results from analysis were presented in the model summary and coefficients tables below.

Table 23 showing regression model summary and Coefficients for the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

Model Summary

Model	R	R Square	Adjusted R Square	F-Statistic	Std. Error of the Estimate
1	.194[a]	.037	.024	8.642	.588

a. Predictors: (Constant), Automated teller machine banking

Source: primary data, (2025)

From the table 23 showing the model summary statistics above, a p-value = 0.169 that is more than 5% level of significance indicates that Automated teller machine banking (Beta=0.091) predicts and affects their financial performance. However, its effect is insignificant at p-value > 0.05. An adjusted R^2 of 0.024 implies that Automated teller machine banking explains 2.4% variations in financial performance of Tujijenge financial services, Bukedea Town. However, these variations are not significant in affecting financial performance. Basing on such findings, the researcher therefore concludes that Automated teller machine banking positively affects financial performance of Tujijenge financial services, Bukedea Town however much the effect that exists between the variables is significant.

4.6 Financial performance

4.6.1 Bank profits have increased

Table 24 Showing whether bank profits have increased

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	6	17.0	17.0	17.0
	Agree	11	31.0	31.0	48.0
	not sure	5	14.0	14.0	62.0
	Disagree	10	27.0	27.0	89.0
	strongly disagree	4	11.0	11.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 24 above, it can be seen that 17% strongly agreed, 31% agreed to the statement that bank profits have increased, 27% disagreed, 11% strongly disagreed to the same statement while 14% of the respondents were not sure. This implies that bank profits have increased.

4.6.2 The loan to asset ratio of the bank increased

Table 25 Showing whether the loan to asset ratio of the bank increased

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	15	42.0	42.0	42.0
	Agree	6	17.0	17.0	59.0
	not sure	1	2.0	2.0	61.0
	Disagree	9	25.0	25.0	86.0
	strongly disagree	5	14.0	14.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

Table 25 above shows that the majority of the respondents 42% strongly agreed, 17% agreed to the statement that the loan to asset ratio of the bank increased, 25% disagreed, 14% strongly disagreed to the same statement and 2% of the respondents were not sure. These findings were in line with Chigbu,(2012) who noted that the loan to asset ratio of the bank increased.

4.6.3 The working capital and liquidity have increased

Table 26 Showing whether the working capital and liquidity have increased

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	19	53.0	53.0	53.0
	Agree	6	17.0	17.0	70.0
	not sure	1	3.0	3.0	73.0
	Disagree	6	17.0	17.0	90.0
	strongly disagree	4	10.0	10.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 26 above it can be seen that the majority of the respondents 53% strongly agreed, 17% agreed to the statement that the working capital and liquidity have increased, 17% disagreed, 10% strongly disagreed to the same statement while 3% of the respondents were not sure. This implies that the working capital and liquidity have increased.

4.6.4 The bank has been able to manage its risks

Table 27 Showing whether the bank has been able to manage its risks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	8	22.0	22.0	22.0
	Agree	14	39.0	39.0	61.0
	not sure	2	6.0	6.0	67.0
	Disagree	5	14.0	14.0	81.0
	strongly disagree	7	19.0	19.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to table 27 above, it can be seen that 22% strongly agreed, 39% agreed to the statement that the bank has been able to manage its risks while 14% disagreed, 19% strongly disagreed to the same statement and 6% of the respondents were not sure. This implies that the bank has been able to manage its risks.

4.5.5 Customers retention and loyalty is stable

Table 28 Showing whether customers retention and loyalty is stable

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	9	25.0	25.0	25.0
	Agree	5	14.0	14.0	39.0
	not sure	3	8.0	8.0	47.0
	Disagree	12	33.0	33.0	80.0
	strongly disagree	7	20.0	20.0	100.0
	Total	36	100.0	100.0	

Source: primary data (2025)

With reference to above table 28, it can be seen that 25% strongly agreed, 14% agreed to the statement that customers retention and loyalty is stable, 33% disagreed, 20% strongly disagreed to the same statement while 8% of the respondents were not sure. This implies that compliance rate has not improved customers retention and loyalty is not stable.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction.

In this chapter the researcher gives a summary of findings, conclusions and recommendation in line with the research questions and objectives.

5.1 Summary of findings.

The researcher provided a summary of findings in line with the objectives as follows;

5.1.1: To examine the effect of internet banking on financial performance of Tujijenge financial services

The findings on the effect of internet banking revealed that most respondents acknowledged its contribution to reducing processing delays (44% strongly agreed, 22% agreed) and lowering operational costs (42% strongly agreed), although concerns remained about record accuracy, with 61% disagreeing. Regression analysis confirmed a significant positive relationship (Beta = 0.153, p = 0.007), with internet banking explaining 9.8% of the variation in financial performance. These results reinforce literature from Mhlongo et al. (2025) and Panday (2024), who found that internet banking enhances efficiency and profitability, but they also reflect security and accuracy concerns highlighted by Diallo et al. (2024). Overall, the evidence suggests that internet banking positively influences financial outcomes at Tujijenge by improving cost efficiency and customer access, albeit with challenges in reliability and client trust.

5.1.2: To assess the effect of mobile banking on financial performance of Tujijenge financial services

In terms of mobile banking, results indicated that respondents recognized its ability to speed up cash flow through mobile apps (44% strongly agreed, 11% agreed) and improve customer loyalty (42% agreed), though some doubted its ability to reduce expenses and irregularities, with 39% disagreeing. Regression analysis showed a significant positive relationship (Beta = 0.224, p = 0.015), accounting for 7.5% of the variation in financial performance. These findings are consistent with Adeyemi & Kanu (2023) and Muzindutsi (2025), who emphasized that mobile banking enhances operational efficiency, while concerns about expense reduction and monitoring reflect risks raised by Diallo & Sow (2023). The results highlight mobile banking as a vital driver of

liquidity, customer retention, and financial inclusion, even though its effectiveness may be constrained by security vulnerabilities and user confidence.

5.1.3: To investigate the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

For ATM banking, the study revealed mixed perceptions: while 61% agreed that ATMs reduce staff costs and 61% agreed they minimize errors, only 28% believed they increase usage through 24/7 access, and many expressed skepticism about their effectiveness. Regression analysis showed a positive but insignificant effect (Beta = 0.091, p = 0.169), with ATM services explaining just 2.4% of variation in financial performance. This limited impact contrasts with global evidence, such as Ali & Edet (2021) and Anderson & Lee (2023), who found ATMs crucial for profitability in Nigeria and Germany. Instead, the results resonate with Brown & Taylor (2023), who warned about ATM fraud and maintenance costs undermining benefits. Thus, at Tujijenge Bukedea, ATMs appear supplementary rather than central, unlike internet and mobile banking, which emerged as the primary digital drivers of financial performance.

5.2 Conclusion

5.2.1 To examine the effect of internet banking on financial performance of Tujijenge financial services

The study concluded that internet banking has a significant positive effect on financial performance at Tujijenge Financial Services in Bukedea. The findings showed that internet banking reduces processing delays and operational costs, although challenges such as record accuracy and client trust remain. Regression results confirmed a statistically significant effect (Beta = 0.153, p = 0.007), with internet banking explaining 9.8% of variations in financial performance. These outcomes align with literature emphasizing efficiency and cost-saving benefits but also echo security concerns. Therefore, internet banking is an essential digital tool for improving financial outcomes when supported by effective systems and user trust.

5.2.2: To assess the effect of mobile banking on financial performance of Tujijenge financial services

With regard to mobile banking, the study established that it plays a central role in boosting financial performance by improving cash flow and strengthening customer loyalty. Respondents recognized that mobile applications allow faster transactions and broader customer reach, though some remained skeptical about their role in reducing irregularities and expenses. Regression analysis revealed a significant positive effect (Beta = 0.224, p = 0.015), with mobile banking explaining 7.5% of the variation in financial performance. These results confirm earlier studies that highlighted mobile banking as a driver of financial inclusion and liquidity, while also pointing to risks associated with poor security. Overall, mobile banking remains a strong contributor to institutional efficiency and client satisfaction.

5.2.3 To investigate the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

Finally, the study concluded that ATM banking had a positive but statistically insignificant impact on financial performance at Tujijenge Bukedea. Although respondents acknowledged benefits such as reduced staff costs and minimized cash-handling errors, many doubted the value of 24/7 access and customer attraction through ATMs. Regression results (Beta = 0.091, p = 0.169) indicated that ATMs explained only 2.4% of variations in financial performance, suggesting their effect is weak compared to internet and mobile banking. This finding contrasts with international studies where ATMs significantly improved profitability, but it aligns with concerns about fraud risks and high maintenance costs. Thus, in the Bukedea context, ATMs are supplementary, while internet and mobile banking remain the primary digital drivers of financial growth**.**

5.3 Recommendations

The government should strengthen policies that promote internet banking adoption by improving ICT infrastructure, ensuring affordable internet, and enforcing cybersecurity standards to boost trust in digital transactions. This is vital because the study showed that internet banking significantly influenced financial performance at Tujijenge, explaining 9.8% of the variation (Beta = 0.153, p = 0.007), mainly through cost reduction (42% strongly agreed) and faster processing (44% strongly agreed). However, concerns about record accuracy (61% disagreed) demonstrate the need for stricter regulatory oversight and digital literacy campaigns. These recommendations align with Mhlongo et al. (2025) and Panday (2024), who emphasized that internet banking improves profitability when supported by robust systems, but also reflect Diallo et al. (2024), who warned of security gaps.

The government should also create enabling regulations and incentives to enhance mobile banking services, given their significant role in financial performance. The study found that mobile banking explained 7.5% of the variation (Beta = 0.224, p = 0.015), with strong agreement that it speeds up cash flow (44% strongly agreed) and builds customer loyalty (42% agreed). Nevertheless, doubts remained on reducing irregularities (39% disagreed). To address this, government and regulators should invest in cybersecurity frameworks, promote partnerships between telecoms and financial institutions, and provide subsidies for mobile money infrastructure in rural areas. These measures echo Adeyemi & Kanu (2023) and Muzindutsi (2025), who found mobile banking drives efficiency and inclusion, while also addressing Diallo & Sow's (2023) caution on cyber risks.

Finally, the government should regulate and support the optimization of ATM banking to maximize its supplementary role in financial performance. Despite respondents recognizing benefits such as error reduction (61% agreed) and staff cost savings (61% agreed), regression analysis showed its effect was statistically insignificant (Beta = 0.091, p = 0.169) and explained only 2.4% of the variation. To enhance impact, government policies should focus on upgrading ATM technology, improving security against fraud, and encouraging financial institute ons to deploy ATMs in underserved areas. This recommendation aligns with Ali & Edet (2021) and Anderson & Lee (2023), who found ATMs improved profitability when well-managed, but also considers Brown & Taylor (2023), who highlighted that high fraud risks and maintenance costs limit their efficiency.

5.4 Areas of further research

Further research can be made on;

1. Effect of internet banking on profitability of financial institutions
2. Effect of mobile money services on customer retention
3. Effect of automated teller machine usage on return on assets
4. Effect of digital payment systems on operational efficiency

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Dear respondent;

I am Were Fred carrying out research on the topic "Financial digitalization and financial performance of Tujijenge financial services, Bukedea Town (Uganda)**"** as a partial fulfillment for the award of bachelors degree of business administration at Uganda Christian University. The questionnaire is designed to help me collect relevant information and therefore I kindly request you to participate in responding to the questions that will be asked. However the information given will be treated confidential and will only be used for academic purpose.

SECTION 1: DEMOGRAPHIC DATA

(Tick in the box provided)

1. Gender distribution of the respondent

a) Male ☐ b) Female ☐

2. Age bracket of the respondent (years)

a) 20-30 ☐ b) 31-40 ☐ c) 41-50 ☐ C) 50 and above ☐

3**.** Academic qualification of respondent

a) Secondary ☐ b) Certificate ☐ c) Diploma ☐ d) Bachelors ☐ e) Masters ☐

4. Years of working by the respondents.

a) Less than 1 year ☐ b) 1-2 years ☐ c) 3 years and above ☐

Section A: To examine the effect of internet banking on financial performance of Tujijenge financial services

This section aims at examining the effect of internet banking on financial performance of Tujijenge financial services. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agreed; 2= strongly Agreed; 3= not sure; 4= Disagreed; 5= strongly disagreed.**

No	Statements	1	2	3	4	5
1	You reduce processing delays by using internet banking for routine account activities					
2	You improve record accuracy through digital transaction tracking					
3	You attract new clients by offering online banking services.					
4	You save costs by relying on online operations instead of physical branch services					
5	You handle funds more quickly through instant online transfers.					

Section B: To assess the effect of mobile banking on financial performance of Tujijenge financial services

This section aims at assessing the effect of mobile banking on financial performance of Tujijenge financial services. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agreed; 2= strongly Agreed; 3= not sure; 4= Disagreed; 5= strongly disagreed.**

No	Statements	1	2	3	4	5
1	You reach customers quickly through mobile banking notifications and alerts.					
2	You lower expenses because mobile transactions reduce paperwork and manual processing.					
3	You speed up cash flow by processing payments through mobile apps.					

4	You increase customer loyalty by providing easy-to-use mobile services.					
5	You monitor accounts instantly, reducing the risk of irregularities.					

Section C: To investigate the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services

This section aims at investigating the effect of Automated teller machine banking (ATM) on financial performance of Tujijenge financial services. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agreed; 2= strongly Agreed; 3= not sure; 4= Disagreed; 5= strongly disagreed.**

No	**Statements**	**1**	**2**	**3**	**4**	**5**
1	You provide customers with round-the-clock cash access, increasing usage.					
2	You reduce staff costs by letting ATMs handle routine cash withdrawals					
3	You speed up transaction processing with machines instead of human tellers					
4	You draw more customers through convenient ATM locations.					
5	You limit errors by automating cash handling.					

Section D: Financial reporting

This section aims at investigating on financial performance. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agreed; 2= strongly Agreed; 3= not sure; 4= Disagreed; 5= strongly disagreed. Section D: Financial performance**

This section aims at establishing the indicators of financial performance. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= Agree; 2= strongly Agree; 3= not sure; 4= Disagree; 5= strongly disagree.**

No	**Statements**	**1**	**2**	**3**	**4**	**5**
1	Bank profits have increased.					
2	The loan to asset ratio of the bank increased.					
3	The working capital and liquidity have increased.					
4	The bank has been able to manage its risks.					
5	Customers retention and loyalty is stable					

APPENDIX III: DATA COLLECTION LETTER

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

TUJIJENGE FINANCIAL SERVICES
01 AUG 2025
BUKEDEA OFFICE
Tel: 0781-086571

Office of Academic Registrar

To TUJIJENGE FINANCIAL SERVICES BUKEDEA BRANCH

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss. XMULO SALIME
Of Registration Number; J24/MUC/BBA/011 pursuing a Masters' Degree/Postgraduate Diploma / Bachelor's Degree
BACHELOR'S DEGREE

He/ she is required to carry out an academic research on the topic
FINANCIAL DIGITALISATION AND FINANCIAL PERFORMANCE OF TUJIJENGE FINANCIAL SERVICES.

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,

UGANDA CHRISTIAN UNIVERSITY
23 MAY 2025
ACADEMIC REGISTRAR
MBALE UNIVERSITY COLLEGE

Timothy Akampurira
Academic Registrar