

**ELECTRONIC BANKING AND PERFORMANCE OF THE BANKING INDUSTRY:
Case study of Pride Microfinance**

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S20B33/242

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UGANDA CHRISTIAN UNIVERSITY**

September, 2023



**UGANDA CHRISTIAN
UNIVERSITY**

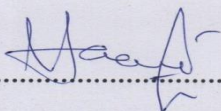
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DECLARATION

DECLARATION

I, KIZITO EDWARD hereby declare that this report is my original work and it has never been submitted to any University or an Institution of higher learning or any award.

SIGNATURE.....



DATE:

2th 09 2023

KIZITO EDWARD
(STUDENT)

APPROVAL

APPROVAL

I, hereby certify that this report by KIZITO EDWARD has been prepared under our supervision and guidance and it is now ready for submission for presentation with our approval.

MS. ATENNYI LORAINÉ
RESEARCH SUPERVISOR

DATE: 20th / 09 / 2023

DEDICATION

This work is dedicated to my family and friends who tirelessly contributed towards my academic struggle.

God bless you.

ACKNOWLEDGEMENT

First and foremost as a student am exceedingly grateful for the internship opportunity offered to me by PML.

My first special thanks go to my Dad, Mum and my close relatives and not forgetting the staff members of PML for their support towards me, thanks a lot for your tireless effort to make sure I acquire the basic skill I needed.

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I acknowledge with gratitude all my respondents who cooperated in giving valuable data. I thank you for sparing your time amidst your busy schedules by filling the questionnaires and being available for interviews.

ACRONYMS AND ABBREVIATIONS

R&D:	Research and Development
ATM:	Automated Teller Machine
AMFIU:	Association of Microfinance Institutions in Uganda
PDA:	Personal Digital Assistant
ROAA:	Return On Average Assets
ROAE:	Return On Average Equity
UK:	United Kingdom

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ABSTRACT

The study set out to find out the impact of e-banking on performance of financial institutions in Uganda, with Pride Micro Finance as the case study. The study was guided by the following objectives: to find out the forms of e-banking used in financial institutions in Pride Micro Finance; to find out the relationship between e-banking and performance of financial institutions in Pride Micro Finance; and, to find out the effect of e-banking on performance of financial institutions in Pride Micro Finance. In their efforts to provide cheap, reliable, flexible, fast and convenient financial services, financial institutions resorted to e-banking which relies on FinTech tools, However, the provision of e-banking products in financial institutions may heighten operational vulnerability due to network failure, initial high investment technological infrastructure, cyber- attacks, risking customer data confidentiality all of which may affect performance of financial institutions. The study adopted a descriptive research design and survey designs, which helped in collecting and analysing qualitative and quantitative data. A sample of 138 participants was selected from a target population of 210 subjects who were purposively and randomly selected. The study used both structured and unstructured questionnaires, and an open-ended interview guide to collect data. Descriptive statistics (percentages) were used to examine the forms of e- banking, while inferential statistics were used to assess the relationship and the impact of e- banking on performance of financial institutions. The results showed internet banking as the most used form of electronic banking. The study found a significant moderate relationship ($r = .761$; sig. $<.05$) between electronic banking and performance of financial institutions. Electronic banking was found to account for 74.5% of the performance of financial institutions, with electronic cards alone predicting about 61.6% for any unit-change in the use

of electronic cards. The study concluded that electronic banking has a significant impact on performance of financial institutions. As a recommendation, financial institutions should promote e-banking workshops and training to their customers to make them user-friendly.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, problem statement, general objective and specific objectives of study, research questions, significance of the study and the conceptual framework. Electronic Banking in this study was treated as an independent variable and was conceptualized in terms of Mobile Banking, Internet Banking, electronic Card, electronic funds transfer and e-payments. Performance of financial institutions was treated as a dependent variable and was conceptualized in terms of transaction costs, customer satisfaction and access to financial services, customer deposits, profitability and quality of management.

Electronic banking is a process by which a customer carries out banking transactions electronically without having to physically enter a bank or financial institution (Simpson, 2002). E-banking creates unprecedented opportunities for banks in the ways they organize financial product development, delivery, and marketing via the internet and thus enhance bank performance. In addition, BCBS (2001), Electronic banking, or e-banking, includes the provision of retail and small value banking products and services through electronic banking channels as well as large value electronic payments and other wholesale banking services delivered electronically. Electronic banking involves using electronic and telecommunication networks in delivering the various processes, products and services to the clients (Stephen, 2002).

1.1. Background of the Study

The study will mainly be conducted from Victoria Office Park 6-9 Okot Close Bukoto, Kampala, Uganda.

According to Ombati et al, (2011), Electronic banking or E-banking refers to an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. E-banking is also the use of electronic means to deliver banking services, mainly through the Internet. The term is also used to refer to ATMs, telephone banking, use of plastic money, mobile phone banking and electronic funds transfers.

Today's business environment is extremely dynamic and experience rapid changes as a result of technological improvement, increased awareness and demands that banks serve their customers electronically. Banks have traditionally been in the forefront of harnessing technology to improve their products and services. The Banking industry of the 21st century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the centre of this global change curve of Electronic Banking System in Kenya today. Managers in the banking industry in Kenya cannot ignore Information Systems because they play a critical impact in current Banking system by pointing out that the entire cash flow of most banks are linked to Information Systems.

Kalakota and Winston (2009) arguably indicated that E-payment systems are becoming central to online business process innovation, as companies look for ways to serve customers faster and at lower cost. In line with this, Chhabra (2009) suggested that electronic payment systems are being used in air ticketing, insurance, banking, retail, health care, online markets and even governments - in fact, everywhere money needs to change hands. There are many evident advantages of an electronic mode of transfer compared to the conventional clearing house, because banks are increasingly turning to technology for managing their payments (Kumar 2009). Some of the value attributes include secure payments, cost cutting, payment on due date and easier cash management compared to conventional systems. They have invested huge amounts of money, in implementing the self-banking services with the objective of improving the quality of customer service. The development of E-banking services is expected to decongest banking halls and reduce the incidences of long queues in banking halls. ICT – based financial services have made a significant contribution in reducing the cost of offering financial services (CBK 2009).

The payment industry in Kenya has over the last few years been transformed with the new wave of IT advancements. Currently the use of cash has been replaced by digital cash and digital wallets. It can be rightly said that this is the fourth stage of evolution after Barter, Currency, Paper money (Cheques) and now digital cash. From the reports of Central Bank of Kenya (CBK), Kenyan banks have exponentially embraced the use of information and communication technologies in the provision of banking services which has enhanced the application of e-payments.

The application of information and communication technology concepts, techniques, policies and implementation strategies to banking services has become a subject of fundamental importance and concern to all banks and indeed a prerequisite for local and global competitiveness banking. The advancement in technology has played an important role in improving service delivery standards in the

banking industry. In its simplest form, Automated Teller Machines (ATMs) and deposit machines now allow consumers carry out banking transactions beyond banking hours. (CBK annual report, 2012)

Banks have been delivering electronic services to consumers and businesses remotely for years. Banks are deemed to be the early users of technology and the main drivers of technological revolution. Electronic funds transfer, including small payments and corporate cash managements systems, as well as publicly accessible automated machines for currency withdrawals and retail account management, are global fixtures. Any decision to adopt E-banking is normally influenced by a number of factors. These include customer service enhancement and competitive costs, all of which motivate banks to assess their electronic commerce strategies (Kondabagil, 2007).

Performance

According to Richard et al (2011), organizational performance encompasses three specific areas of firm outcomes: financial performance; product market performance; and shareholder return. Therefore, organizational performance comprises the actual output or results of an organization as measured against its intended outputs.

1.2 Problem Statement

Despite the automation of banking intensive service such as withdrawals, depositing, checking of account balance, SMS alerts through the banking apps, there has been low adoption of their E-banking services. The bank has poorly marketed their E-banking services; this is contrary to what their competitors are achieving with E-banking. This has affected their overall performance especially in areas of customer growth and profitability. They are threatened by the fact that electronic banking trend is growing at such a faster rate. According to Cheruiyot (2010), the prevalence of electronic banking will dominate traditional branching banks. Electronic banking with its resultant transformation in operational dimension of banks over some decades has brought about a paradigm shift in banking operations to the extent that banks embrace information technology to enhance effective and extensive delivery of wide range of value added products and services such as SMS, Account Opening using Apps, to mention but a few.

1.3 Purpose of the Study

1.3.1 General Objective

The purpose of the study was to find out the impact of e-banking on performance of financial Institutions in Uganda: A case of Pride Microfinance.

1.3.2 Specific Study Objectives

- i. To establish the forms of electronic banking used at Pride Microfinance.
- ii. To determine the relationship between E-banking and the performance of financial institutions especially at Pride Microfinance.
- iii. To examine the benefits and impact of E-banking to Pride Microfinance.

1.4 Research Questions

- iv. What are the different forms of electronic banking used at Pride Microfinance?
- v. What are the different infrastructures used for E-banking at Pride Microfinance?
- vi. What are the benefits of E-banking to Pride Microfinance?

1.5 Scope of the Study

1.5.1 Content Scope

The study will establish the kind of electronic banking used at Prime Microfinance, determine the infrastructures used for E-banking at Pride Microfinance and establish the benefits of E-banking to Pride Microfinance.

1.5.2 Time Scope

The research is scheduled to take a period of 4 months that is to say June to OCT 2022 when all the deliverables will be achieved. The researcher will review different banking reports for the last five years (2018-2022) for easy analysis of their banking trend. The choice of the period was determined by the fact that Pride Microfinance has been experiencing a shift in their banking services for the past 4 years, this period therefore provides the best opportunity to measure their success story with some of the transformations embraced.

1.5.3 Geographical Scope

Pride Micro Finance bank has 42 locations across the country, 34 of which are fully-fledged branches and 8 being contact offices. The study will mainly be conducted from Victoria Office Park 6-9 Okot Close Bukoto, Kampala, Uganda located in the central business district focusing on the key personnel with credible information about the performance of the bank. Pride Microfinance was chosen because it is one of the institutions in the banking industry to have embraced electronic banking but because of the prevailing challenges faced by the institution, electronic banking is still lagging as compared to other institutions like Stanbic.

1.6 Significance of the Study

To the Pride Microfinance (management)

The finding of the study will be of great importance to managers of Pride Microfinance as they will understand the effect of electronic banking on performance of Pride Microfinance, this will assist them in making decision on whether to adopt electronic banking or not and the expected results of electronic banking adoption to their banks performance.

It will help the institutions in predicting their marketing trends due to accumulated data collected from consumers.

Policy Makers

The study finding will enlighten the policy makers in the banking industry on the expected effect of electronic banking on banks performance; this will assist them in designing appropriate policy for electronic banking adoption by commercial banking in Uganda. **Future Scholars**

The study will be of great importance to future scholars and academicians as it will form basis for future research as well as providing literature for future studies on electronic banking.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter among others will look at the literature information presented or written by other scholars regarding the related topics on E-Banking. The chapter will categorically be arranged under the following paragraphs.

2.2 Theoretical Concept

According to Candelore et al. (2016), Electronic banking is generally defined as using telecommunication networks and electronics to provide different kind of value added services and products to commercial bank clients. Information and communication technology (ICT) is in the middle of the automated banking applications nowadays. Financial industry cannot disregard information systems because they show a very important part in the present banking system, the whole cash flow income of all or most commercial banks is associated with information systems. The presentation of information and communication technology ideas, plans, methods and strategy application to all the banking services that has developed a fundamental issue of concerns and significance to most commercial banks and certainly, requirement for international competitiveness and local funding.

2.3 Forms of electronic banking as used in the organization

The common types of E-banking include the following:

Internet banking

Internet banking, sometimes called online banking, is an outgrowth of PC banking (Egland et al., 2011). Internet banking uses the Internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages, and purchasing financial instruments and certificates of deposit.

Automated Teller Machines

An automated teller machine (ATM), also known as a automated banking machine (ABM) or Cash Machine is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date. Using an ATM, customers can access their bank accounts in order to make cash withdrawals, credit card cash advances, and check their account balances as well as purchase prepaid cell phone credit, (Vila et al., 2013).

Mobile Banking

Mobile Banking refers to provision and availing of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information. According to Meute (2010), mobile Banking consists of three inter-related concepts: mobile accounting, mobile brokerage and mobile financial information services. With mobile technology banks can offer a variety of services to their customers such as doing funds transfer while traveling, receiving online updates of stock price or even performing stock trading while being stuck in traffic. Smart phones and 3G connectivity provide some capabilities that older text message only phones do not (Shan, 2006).

Internet Connectivity

The term "Internet connectivity" refers to the way people are hooked up to the Internet, and may include dial-up telephone lines, always-on broadband connections, and wireless devices. Among these, wireless access to the Internet is the newest and, as of the early 2000s, had only reached a small group of users. Broadband connections, including DSL (digital subscriber line), ADSL (asymmetrical DSL), and cable modems, were becoming more widespread, but still represented a small percentage of Internet users. H., Hunt, Michael (2015)

Mobile Apps

Mobile Apps is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a smartphone or tablet. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted. Mobile banking is dependent on the availability of an internet or data connection to the mobile device. Das, Kedar et al (2014).

Automated Teller Machines

An automated teller machine (ATM), also known as a automated banking machine (ABM) or Cash Machine is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a

cashier, human clerk or bank teller. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date. Using an ATM, customers can access their bank accounts in order to make cash withdrawals, credit card cash advances, and check their account balances as well as purchase prepaid cell phone credit, (Vila et al., 2013).

2.4 The Relationship between Internet Banking Adoption and Bank Performance

The change of internet technology is profound, particularly in the global banking industry. Internet as a tool can cross the traditional boundaries to define customer, market, and product. Banks act vital roles in financial intermediation, because banks need to undertake the risk of finding ways to leverage customer deposits and banks 'liabilities, and the internet has opened new ways of exerting this function. Much research has addressed the potential impact of the internet on many different industries including the banking industry. However, earlier studies did not clearly show the relationship between internet banking and bank performance (Callaway, 2011).

Electronic banking has simplified life for some people to whom it's a better way to bank while to others it might appear to be a complex and intimidating process. Advantages of electronic banking include; convenience due to 24-hour reliability (compared to traditional banks that run on daytime 5.5 days a week), transactions speed and effectiveness, Reduced transaction time, Increase in Customer base, Improved profit, Technology awareness, Increased efficiency: Many banks that use electronic banking now offer sophisticated tools, including account aggregation, stock quotes, rate alerts and portfolio managing programs to help you manage all your assets more effectively (Vila et al., 2012).

Large national banks, regional and even smaller banks and credit unions offer E-banking known as PC banking, home banking, online banking or internet banking. Those that do are sometimes referred to as brick to click banks and can be distinguished from brick and mortar banks since they have yet to offer electronic banking from virtual or online banks that have no physical branches or tellers anywhere (Ombati et al., 2011).

2.5 Empirical Review on Electronic Banking

Analyzing the Acceding and Candidate countries' (ACCs) adoption of Internet banking, Meuter (2010), shows that lack of PC and internet penetration is still an entry barrier for internet banking development both in EU15 and ACCs. The cost of access services is a main issue for the PC and Internet penetration especially in Central and Eastern Europe countries. On the other hand, there has been a lack of confidence in the banking sector in ACCs due to past turbulent periods. These concerns are further aggravated with privacy concerns. Degree of banking service usage and ebanking culture are also weaker in ACCs compared to EU-15.

To encourage E-banking adoption, banks need to develop strategies that improve the customer's trust in the underlying technology. The other factors include quick response, assurance, follow-up and empathy. Security, correct transaction, customer control on transaction (personalization), order tracking facilities and privacy are other important factors in the online service that affect the customer satisfaction. Akerlof and Girardone (2011), show that E- banking results in cost and efficiency gains for banks yet very few banks are using it.

Vila et al (2013) also provide evidence respectively for cost reduction and productivity gains as a result of technological change for European Union banks. Carlson and Lang (2001) showed that E-banking lowers operational costs while increasing customer satisfaction and retention in the Turkish retail banking sector. Meuter (2010) suggests that ebanking is driven largely by the prospects of operating costs minimization and operating revenues maximization. According to Ombati et al (2011), Technology (IT) offers banks the potential to dramatically reduce operating costs and improves the quality of management information hence making banking more profitable.

Aduda and Kingoo (2012) established a positive relationship between E-banking and performance of banks by using Pearson Product-Moment Correlation Coefficient test. Using data of twenty- seven banks over the period of 2006 to 2010, authors found that E-banking has strong and significant marginal effects on returns on asset in the banks operating in Kenya. Karimzadeh et al. (2014) investigated the impact of E-banking on the profitability of a bank in Iran. By using quarterly data over the period of 2004–2012, they found that expansion of E-banking has significant positive association to the profitability, measured in terms of ROA, of the sample

bank. Using a sample of 10 banks' data over the period of 2002 to 2012, Rauf and Qiang (2014) measured the impact of E-banking on the performance of Pakistani commercial banks where the performance was measured in terms of Return on Assets (ROA), Return on equity (ROE) and interest margin. Their empirical investigation revealed that E-banking has significant positive impact on margin, ROA and ROE of the recent adopters whereas for the early adopters' significant positive impact on ROE and Margin but slightly on ROA. On the basis of findings, they conclude that banks can consider E-banking as a cost saving effective strategy to compete with the domestic and foreign banks given a well-managed monitoring and control over the risks involved in. Negative conclusions: contrary to the empirical findings of positive impact of Ebanking on the performance of the banks, many researchers found negative impact. Using a panel data of fifteen Jordanian banks for the period of 2000–2010, Al-Smadi and Al Md. N. A. Siddik et al. Impacts of E-banking on performance of banks in a developing economy

CHAPER THREE: METHODOLOGY

3.1 Introduction

Among the subjects discussed in this chapter are the methods deployed in data collection and analysis, it looks at research design, study population, sampling method, sample size, data collection tools, and data processing and analysis.

3.2 Research Design / Approach

The researcher will use case study design, where both qualitative and quantitative approaches will be used. Qualitative approach will involve the use of tables and graphs to portray visual impression of the finding whereas quantitative will involve the use of word of mouth gathered from different data collection instruments regarding the impact of electronic banking on the performance of bank, the case of pride micro finance.

3.3 Study Population and Sampling

3.3.1 Study Population

The population will mainly feature the key employees necessary to help the researcher make a constructive decision during data analysis. Among the departments to be featured are the Marketing, Research and Development departments, IT department and Finance departments. Both female and male gender will be essential during data collection.

3.3.2 Sample Size

According to Kregcie & Morgan, a population of 56 is equated to a sample size of 54. Therefore, the researcher will narrow this population to a sample size of 54 respondents across all the departments indicated in the table.

Table 1: Population and sample size

Categories		Population	Sample size	Sampling techniques
Finance				
	Head of department	1	1	Purposive sampling
	Chief accountant	5	5	Purposive sampling
	Accounting officer	5	5	Purposive sampling
IT		10	10	Purposive sampling
Research and development		20	19	Random sampling
Marketing and sales		15	14	Random sampling
TOTAL		56	54	

Source: Kregue and Morgan (1970) and HR report 2018.

3.3 Sampling Techniques

Purposive sampling technique (critical case sampling) will be used to gather the data from the population structure articulated above. A purposive sample is a non-probability sample that is selected based on characteristics of a population and the objective of the study. One major advantage of this type of sampling is that it's easier to make generalizations about your sample compared to, say, a random sample where not all participants have the characteristic you are studying.

3.4 Data Sources

The researcher will adapt the information from both primary and secondary sources. Primary sources will basically focus on the first hand information from channels such as interview, questionnaires, direct observation whereas secondary sources will look at second hand information from sources such as newspapers, journals, articles and so many others.

3.5 Primary Data

This method will involve contacting the management of Pride Microfinance where series of interviews will be done, a number of questionnaires will be administered and where need be direct observation will be made. On the other hand, the researcher will mainly use interview and questionnaires to gather the information from customers regarding the electronic banking behaviors.

3.6 Secondary Data

On the other hand, the information gathered from the primary sources will be supplemented with data from journals, magazines, articles, newspapers which will basically derive Secondary data. This will be very pivotal for comparing the opinions of other scholars about the aspect of E-Banking.

3.7 Data Collection Methods

3.7.1 Data Collection Tools/Instruments

3.7.2 Questionnaire

A questionnaire will be used because of its ability to reduce any bias and the collection of authentic data important for data analysis. The researcher will include both close and open-ended questionnaires aiming at testing the impact of electronic banking on the performance of a bank. Observations and Beliefs sought will be measured on a five point Likert Scale, with five being the highest using (Tull & Hawkins, 2003).

3.7.3 Interview Guide

The researcher will target broader perspective about electronic banking through the use of both closed and open ended questions aimed initiating interactions with all the intended respondents.

3.8 Measurement of Variables

Dependent variables in this study, researchers made an attempt to empirically investigate the impact of e-banking on bank performance in the context of commercial banks operating in Uganda. Thus dependent variable of the study is Bank's performance. A commonly used measure of bank's performance is Return on Equity, ROE (Abaenewe et al. 2013; Al-Smadi; Al-Wabel 2011). ROE measures the return earned on common stock holders' investment in the firm. It gives an explanation of how effectively shareholder's funds are being used by the management of the bank. Another good measure of bank performance is Return on Assets, ROA, which gives a picture about how effective the management of bank is in generating profits with its available assets. In their study Abaenewe et al. (2013), Dey (2014), Khrawish and Al-Sa'di (2011), Oyewole et al. (2013) have used ROA as a measure of the performance of banks.

Independent variables since the aim of this study is to investigate the impact of E-banking system on bank performance, thus E-banking is the independent variable. To measure it, following the work of Hernando and Nieto (2007), Onay et al. (2008) a dummy variable index, EBANKJ, was created which takes a value of one (1) if the bank has introduced E-banking in a particular year t; otherwise it takes a value of zero (0).

Both independent and dependent variables will be measured. The variables will be measured by operationally defining concepts. For instance, the questionnaires will be designed to ask respondents about the impact of electronic banking on consumer behavior and the general performance of the bank involving all the potential stakeholders. These will be channeled into measurable elements to enable development of an index of the concept. A five (5) point rating scale will be used constituting of 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree.

3.9 Validity and Reliability of research instruments

3.9.1 Validity

The proper design of the sample size, study population will be the major attributes for the validity of the collected information. Validity is important in determining whether the statements in the questionnaire instrument and interview manuals are relevant to the study. Content and construct validity will be obtained by the help of the supervisor's input.

3.9.2 Reliability

Reliability aimed at testing for how reliable the instruments are to the study (i.e. ability of instrument to test for the same results over time). The conclusion section of the questionnaire will be tailored towards justifying from the respondents about the reliability of both structured and unstructured questions in the questionnaire.

3.10 Data Process and Data Analysis

3.10.1 Data Process

The data collection method will be a structured and more specifically a self-administered one. A letter addressed to the respondents, assuring anonymity will also be attached to the questionnaire. In order to improve returns (response rate), the researcher will employ the drop and pick later

method and follow up updates through phone call and email on staff and management but interview the prevailing customers that use E-banking.

3.10.2 Data Processing

The data will be presented in a convenient and informative way including frequency tables, graphs and charts for easier analysis and interpretation. Descriptive analysis will be used to determine the proportions and frequency of the variables and Microsoft excel will be used to facilitate the data analysis. The results will be presented in the form of tables, figures and pie charts for better visual feedback

3.11 Ethical Consideration

A University letter introducing the researcher addressed to management of the company will be obtained and submitted requesting for permission to carry out the research. The researcher will ensure integrity of the information gathered, that is to say, the information will purposively be used analyze the impact of E-banking on the organizational performance other than any other selfish interest. There will be totally non-disclosure of any data or organizational materials provided to aid researcher's work whatsoever.

3.12 Limitation of the Study

- i. Bureaucracy: The communication chain was very long and nagging at times that the response rate was so slow.
- ii. Confidentiality and data sensitivity: some respondents may decline to give information for fear of releasing personal and confidential information. The researcher will solve this problem through signing a non-disclosure form with the management of the bank before issuing out the questionnaires
- iii. Time constraints: The problem may arise from the respondents who do not have the researcher's time to attend to interviews and even fill in the questionnaires. This will lead to limited information from the respondents. The researcher will solve this through making the questionnaires concise and precise, making it easy to fill.

**Work plan and Budget WORK
PLAN**

TA SK S	JU NE	JU LY	AU G	SE PT	O CT
1. Topic suggestions					
2. Problem statement					
3. Chapter one					
4. Chapter two					
5. Chapter three					
6. Data collection					
7. Data presentation					
8. Discussion of finding					
9. Conclusion and recommendation					

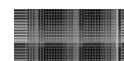


Figure 3: Work plan.

BUDGET

ITEMS	QUANTITY	UNIT	AMOUNT
1. Rims	2	15,000	30,000
2. Printing	3 booklets	25,000	75,000
3. Transport	-	150,000	150,000
4. Binding	3 booklets	10,000	30,000
5. Communication	-	100,000	100,000
		TOTAL	385,000

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter focuses on the presentation, analysis and interpretation of data collected from the field. The purpose of this study was to establish the effect of Electronic Banking on Performance of Pride Microfinance. The findings are presented in line with the sole objective of the study and are intended to give answers to the research questions which were asked in relation to the study. The tools used for presentation and analysis included tables and percentages.

4.2 Background Information: Showing Gender of Respondents

In the table below, the researcher is interested in determining the ratio of male to female gender and identify its effect on the overall employee performance at Pride Micro Finance bank.

Gender	No. of respondents	Percentage (%)
Female	27	46
Male	29	54
Total	56	100

Source: Researcher 2022 Figure 5: Gender

From the table 4.1.1 above, among all the respondents interviewed, 25 were Female presented by 46% and 29 were Male presented by 54%. Therefore the ratio of male to female 29:25 which implies that Pride Microfinance employs Male than Female counterparts. This was based on the nature of the business that why female are more than male.

Table showing age respondents

The interest is centered on identifying if the respondents were of the right age in order to establish the basis for better quality control of the collected data. The age groups can be distributed as follows.

Age group	No. of respondents	Percentage (%)
20-30 years	20	37.03
31-40 years	22	40.74
41-50 years	10	18.51
50 years and above	4	3.70
Total	56	100

Source: Researcher 2022

Figure 6: Age

From the table 4.1.2 above, respondent of age group 20-30 years were 20 presented by 37.03%, 31-40 were 22 presented by 40.74%, 41-50 were 10 presented by 18.51% and above 50 years were 2 presented by 3.70% of the respondents. Therefore, for the success of this report, most data was got from respondents in the age bracket between 31-40 years which was presented by 40.74%. This age group is associated with experience in any work places due to perceived longer period in service, thereby ensuring quality feedback.

Table showing level of education attained

Here the objective is determined if the respondents were of the right knowledge based on their level of education. The detailed breakdown can be seen below:

Level of education	No. of respondents	Percentage (%)
Certificate	17	31.5

Diploma	10	18.5
Degree	20	37.0
Post graduate	10	14.8
Total	56	100

Source: Researcher 2022

The results in the table 4.1.3 above shows that 10 members were Diploma holders presented by 18.5%, 20 members were degree holders with 37.0% of the respondents and 8 members had Post Graduate Diploma holder represented by 14.8% and 17 respondents had certificate represented by 31.5%. Having the biggest percentage of degree holders (37.0%) implies that most people had the required knowledge and understanding of electronic banking and its impact in the organization.

Table showing Period spent in organization

The period of service in Pride Micro Finance was very important in determining the experience about the institution's services. More experience has been attributed to the longevity of the periods served in an institution, that is to say, employees with more years of experience most likely provided credible information about the institution that their counterparts with lesser years of service.

Period	No. of respondents	Percentage (%)
1-3 year	17	31.5
4-7 years	27	50.0
8-11years	12	18.5
Total	56	100

Source: Researcher 2022

From the table 4.1.4 above, from the research carried out, it was found out that 31.5% of the respondents have been working with the Pride Micro Finance for 1-3 years, 50.0% for 4-7 years, 18.5% have been working for 8-11years. This meant the majority of employees have been working for a period of 4-7 years which is regarded as the best years in service for the employees to have better experience.

The different kinds of electronic banking used at Pride Microfinance

Question	Agree		Disagree		Not sure		Total	
	Freq	%age	Freq	%age	Freq	%age	Freq	%age
Pride Microfinance has embraced E- Banking in recent years	25	46	20	37	9	17	54	100
E-Banking has accelerated the speed at which customers are served at Pride Micro Finance	35	65	18	33	1	2	54	100
E-Banking has resulted to customer growth at Pride Microfinance	33	61	15	28	6	11	54	100
Pride Micro Finance has experienced Sales and revenue growth as a result of effective banking techniques	30	56	31	27	7	13	54	100
The time spent on transaction has significantly	35	65	10	19	9	17	54	100
reduced as a result of electronic banking								
Pride Micro Finance as created enough awareness about their offers as a result of E-Banking	25	46	20	37	9	17	54	100

Privacy data	30	56	14	26	10	19	54	100
People have trusted and supported E- Banking	28	64	10	23	6	13	54	100
Service awareness and growth	29	54.5	15	28	10	18.5	54	100
Perceived value	27	50	16	30	11	20	54	100
Perceived security in transaction	27	50	17	31	10	19	54	100
Branch ATM are well distributed and always available	30	56	20	37	4	7	54	100
Customer care prevails	28	64	10	23	6	13	54	100

Source: Researcher 2022

From the research study carried out, it was revealed that 25 respondents represented by 46% agreed that Pride Microfinance has embraced electronic banking in recent years. This was followed by 37% who disagreed with the statement 17% were not sure about the whole concept of electronic banking. This meant that at Pride Microfinance, there is a prevailing E-banking activities witnessed by the majority of the respondents contacted.

The findings revealed that 35 (65%) of the respondents agreed that E-Banking has accelerated the speed at which customers are served at Pride Micro Finance. This was followed by 18 (33%) of the respondents who disagreed and 1(2%) were not sure if E-Banking has accelerated the speed at which customers are served at Pride Micro Finance. Therefore E-Banking has accelerated the speed at which customers are served at Pride Micro Finance as witnessed by the majority of the respondents consenting its impact.

From the field study carried out, it was discovered that 33(61%) of the respondents agreed that E-Banking has resulted to customer growth at Pride Microfinance. This was followed by 15(28) %

who disagreed and 6 (11%) respondents were not sure that E-Banking has resulted to customer growth at Pride Microfinance.

From the field study carried out, it was discovered that 30 respondents with 56% agreed that Pride Micro Finance has experienced Sales and revenue growth as a result of effective banking techniques. This was followed by 14 (26%) who disagreed with the fact that Pride Micro Finance has experienced Sales and revenue growth as a result of effective banking techniques, 10(19%) were not sure of the fact. This therefore means that Pride Microfinance has experienced exponential sales growth as a result of e-Banking as witnessed by the majority of the respondents consenting.

The findings discovered that 35 respondents represented 65% agreed that the time spent on transaction has significantly reduced as a result of electronic banking. This was followed by 10 respondents of 19 % who disagreed and 9 (17%) were not sure of the fact that the time spent on transaction has significantly reduced as a result of electronic banking.

From the research study carried out, it was revealed that 25 respondents represented by 46% agreed that Pride Micro Finance as created enough awareness about their offers as a result of E-Banking. This was followed by 20 (37%) who disagreed with the statement, 9(17%) were not sure of the issue that Pride Micro Finance as created enough awareness about their offers as a result of E- Banking.

From the field study carried out, it was discovered that 30(56%) of the respondents agreed that there is high levels of privacy of customer data. This was followed by 14(26 %) who disagreed and 10 (19%) respondents were not sure. This therefore agrees with the fact that there is privacy of customer transaction data at Pride Microfinance.

From the field study carried out, it was discovered that 27(50%) of the respondents agreed that there is Perceived security in transaction at Pride Microfinance. This was followed by 17(31) % who disagreed and 10 (19%) respondents were not sure if there is Perceived security in transaction. This still agrees with the fact that more respondents witnessed security.

From the field study carried out, it was discovered that 30(56%) of the respondents agreed that Branch ATMs are well distributed and always available. This was followed by 20(37%) who disagreed and 4 (7%) were not sure if Branch ATMs are well distributed and always available.

Based on the general outcome of the study, most respondents responded positively about the proper distribution of Pride Microfinance ATMs across its areas of operation.

From the field study carried out, it was discovered that 28(64%) of the respondents agreed that there is high levels Customer care at Pride Microfinance. This was followed by 20(37) % who disagreed and 3 (6%) respondents were not sure if there is Customer care at Pride Microfinance. This still agrees with the fact that there is a prevailing customer care strategies at Pride Microfinance.

SECTION C The different Infrastructures used in Electronic Banking at Pride Microfinance

Question	Agree		Disagree		Not sure		Total	
	Freq	%age	Freq	%age	Freq	%age	Freq	%age
Electronic banking has been made possible as a result of growing Internet Penetration in remote areas	32	59	15	28	9	13	56	100
The prevalence of banking apps for Pride Microfinance has increased the availability of banking information	30	56	18	30	9	17	56	100
Pride Microfinance has a well proper distribution of its automatic teller machines to enable banking processes	35	65	17	33	2	4	56	100

Source: Researcher 2022

From the research study carried out, it was revealed that 32 (59%) respondents agreed with the fact that Electronic banking has been made possible as a result of growing Internet Penetration in remote areas, 15 (28%) of the respondents disagreed that Electronic banking has been made possible as a result of growing Internet Penetration in remote areas and last 7 (13%) of the respondents.

From the study carried out, it was revealed that 30 (56%) respondents agreed that the prevalence of banking apps for Pride Microfinance has increased the availability of banking information. This was followed by 16 (30%) of the respondents disagreed and 9 (17%) respondents were not sure if the prevalence of banking apps for Pride Microfinance has increased the availability of

banking information. This meant that employees of Pride Microfinance agree with the availability of banking apps.

The study revealed that 35 (65%) of the respondents' agreed that Pride Microfinance has a well proper distribution of its automatic teller machines to enable banking processes. This was followed 17 (31%) and 2 (4%) respondents were not sure of the fact.

The benefits of electronic banking to Pride Microfinance

Question	Agree		Disagree		Not sure		Total	
	Freq	%age	Freq	%age	Freq	%age	Freq	%age
The time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance	40	74	9	17	7	9	56	100
Pride Microfinance has managed to provide every possible customer related inquiries through electronic banking platform currently used thereby growing its customer care	38	70	9	19	7	13	56	100
Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking	38	70	9	17	9	13	56	100
There has been improved service efficiency from the time the bank introduced electronic banking	30	55	19	36	5	11	56	100

Source: Researcher 2022

The study revealed that 40 (74%) of the respondents agreed that the time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance. This was followed by 9 (17%) who disagreed with the fact that The time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance and only 5 (9%) are not sure if

The time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance.

From the research study carried out, it was revealed that 38 (70%) of the respondents agreed that Pride Microfinance has managed to provide every possible customer related inquiries through electronic banking platform currently used thereby growing its customer care. This was followed by 9 (17%) who disagreed and 7 (13%) of the respondents were not sure of the fact.

The study discovered that 38 (70%) of the respondents agreed that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking. This was followed by 9 (17%) who disagreed that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking and 7 (13%) were not sure that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking.

The findings revealed that 30 (55%) of the respondents agreed that There has been improved service efficiency from the time the bank introduced electronic banking. This was followed by 19 (36%) of the respondents who disagreed with the fact that There has been improved service efficiency from the time the bank introduced electronic banking and 5 (9%) of the respondents were not sure of the fact that There has been improved service efficiency from the time the bank introduced electronic banking.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section presents the summary and discussion of findings. The preceding four chapters have laid down a basis on which the report milestones can be reached. This chapter focuses on the findings as compared to the purpose and objectives that the study is intended to achieve.

5.2 Discussion of the Findings

Referring to the study objectives presented in chapter four, discussion of findings was drawn to provide more evidence about the two study variables that is to say, E-banking and performance of Pride Micro finance.

5.3 The dimensions of Electronic Banking in Pride Microfinance

From the research study carried out, it was revealed that 25 respondents represented by 46% agreed that Pride Microfinance has embraced electronic banking in recent years. This was followed by 37% who disagreed with the statement 17% were not sure about the whole concept of electronic banking. This meant that at Pride Microfinance, there is a prevailing E-banking activities witnessed by the majority of the respondents contacted.

The findings revealed that 35 (65%) of the respondents agreed that E-Banking has accelerated the speed at which customers are served at Pride Micro Finance. This was followed by 18 (33%) of the respondents who disagreed and 1(2%) were not sure if E-Banking has accelerated the speed at which customers are served at Pride Micro Finance. Therefore E-Banking has accelerated the speed at which customers are served at Pride Micro Finance as witnessed by the majority of the respondents consenting its impact.

From the field study carried out, it was discovered that 33(61%) of the respondents agreed that E-Banking has resulted to customer growth at Pride Microfinance. This was followed by 15(28) % who disagreed and 6 (11%) respondents were not sure that E-Banking has resulted to customer growth at Pride Microfinance.

From the field study carried out, it was discovered that 30 respondents with 56% agreed that Pride Micro Finance has experienced Sales and revenue growth as a result of effective banking techniques. This was followed by 14 (26%) who disagreed with the fact that Pride Micro Finance has experienced Sales and revenue growth as a result of effective banking techniques, 10(19%) were not sure of the fact. This therefore means that Pride Microfinance has experienced exponential sales growth as a result of e-Banking as witnessed by the majority of the respondents consenting.

The findings discovered that 35 respondents represented 65% agreed that the time spent on transaction has significantly reduced as a result of electronic banking. This was followed by 10 respondents of 19 % who disagreed and 9 (17%) were not sure of the fact that the time spent on transaction has significantly reduced as a result of electronic banking.

From the research study carried out, it was revealed that 25 respondents represented by 46% agreed that Pride Micro Finance as created enough awareness about their offers as a result of E-Banking. This was followed by 20 (37%) who disagreed with the statement, 9(17%) were not sure of the issue that Pride Micro Finance as created enough awareness about their offers as a result of E- Banking.

From the field study carried out, it was discovered that 30(56%) of the respondents agreed that there is high levels of privacy of customer data. This was followed by 14(26 %) who disagreed and 10 (19%) respondents were not sure. This therefore agrees with the fact that there is privacy of customer transaction data at Pride Microfinance.

From the field study carried out, it was discovered that 27(50%) of the respondents agreed that there is Perceived security in transaction at Pride Microfinance. This was followed by 17(31) % who disagreed and 10 (19%) respondents were not sure if there is Perceived security in transaction. This still agrees with the fact that more respondents witnessed security.

From the field study carried out, it was discovered that 30(56%) of the respondents agreed that Branch ATMs are well distributed and always available. This was followed by 20(37%) who disagreed and 4 (7%) were not sure if Branch ATMs are well distributed and always available. Based on the general outcome of the study, most respondents responded positively about the proper distribution of Pride Microfinance ATMs across its areas of operation.

From the field study carried out, it was discovered that 28(64%) of the respondents agreed that there is high levels Customer care at Pride Microfinance. This was followed by 20(37) % who disagreed and 3 (6%) respondents were not sure if there is Customer care at Pride Microfinance. This still agrees with the fact that there is a prevailing customer care strategies at Pride Microfinance.

Infrastructures used in Electronic Banking at Pride Microfinance

From the research study carried out, it was revealed that 32 (59%) respondents agreed with the fact that Electronic banking has been made possible as a result of growing Internet Penetration in remote areas, 15 (28%) of the respondents disagreed that Electronic banking has been made possible as a result of growing Internet Penetration in remote areas and last 7 (13%) of the respondents.

From the study carried out, it was revealed that 30 (56%) respondents agreed that the prevalence of banking apps for Pride Microfinance has increased the availability of banking information. This was followed by 16 (30%) of the respondents disagreed and 9 (17%) respondents were not sure if the prevalence of banking apps for Pride Microfinance has increased the availability of banking information. This meant that employees of Pride Microfinance agree with the availability of banking apps.

The study revealed that 35 (65%) of the respondents' agreed that Pride Microfinance has a well proper distribution of its automatic teller machines to enable banking processes. This was followed 17 (31%) and 2 (4%) respondents were not sure of the fact.

The benefits of electronic banking to Pride Microfinance

The study revealed that 40 (74%) of the respondents agreed that the time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance. This was followed by 9 (17%) who disagreed with the fact that The time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance and only 5 (9%) are not sure if The time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance.

From the research study carried out, it was revealed that 38 (70%) of the respondents agreed that Pride Microfinance has managed to provide every possible customer related inquiries through electronic banking platform currently used thereby growing its customer care. This was followed by 9 (17%) who disagreed and 7 (13%) of the respondents were not sure of the fact.

The study discovered that 38 (70%) of the respondents agreed that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking. This was followed by 9 (17%) who disagreed that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking and 7 (13%) were not sure that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking.

The findings revealed that 30 (55%) of the respondents agreed that There has been improved service efficiency from the time the bank introduced electronic banking. This was followed by 19 (36%) of the respondents who disagreed with the fact that There has been improved service

efficiency from the time the bank introduced electronic banking and 5 (9%) of the respondents were not sure of the fact that There has been improved service efficiency from the time the bank introduced electronic banking.

5.4 Summary of findings

The change of internet technology is profound, particularly in the global banking industry. Internet as a tool can cross the traditional boundaries to define customer, market, and product. Banks act vital roles in financial intermediation, because banks need to undertake the risk of finding ways to leverage customer deposits and banks 'liabilities, and the internet has opened new ways of exerting this function. Much research has addressed the potential impact of the internet on many different industries including the banking industry. However, earlier studies did not clearly show the relationship between internet banking and bank performance (Callaway, 2011).

Electronic banking has simplified life for some people to whom it's a better way to bank while to others it might appear to be a complex and intimidating process. Advantages of electronic banking include; convenience due to 24-hour reliability (compared to traditional banks that run on day time 5.5 days a week), transactions speed and effectiveness, Reduced transaction time, Increase in Customer base, Improved profit, Technology awareness, Increased efficiency: Many banks that use electronic banking now offer sophisticated tools, including account aggregation, stock quotes, rate alerts and portfolio managing programs to help you manage all your assets more effectively (Vila et al., 2012).

From the research study carried out, it was revealed that 25 respondents represented by 46% agreed that Pride Microfinance has embraced electronic banking in recent years, 35 (65%) of the respondents agreed that E-Banking has accelerated the speed at which customers are served at Pride Micro Finance, 33 (61%) of the respondents agreed that E-Banking has resulted to customer growth at Pride Microfinance, 30 (56%) agreed that Pride Micro Finance has experienced Sales and revenue growth as a result of effective banking techniques, 35 (65%) agreed that the time spent on transaction has significantly reduced as a result of electronic banking. 25 (46%) agreed that Pride Micro Finance has created enough awareness about their offers as a result of E-Banking, 30 (56%) of the respondents agreed that there is high levels of

privacy of customer data, 27 (50%) of the respondents agreed that there is Perceived security in transaction at Pride Microfinance, 30 (56%) of the respondents agreed that Branch ATMs are well distributed and always available, 28(64%) of the respondents agreed that there is high levels Customer care at Pride Microfinance.

From the research study carried out, it was revealed that 32 (59%) respondents agreed with the fact that Electronic banking has been made possible as a result of growing Internet Penetration in remote areas, 30 (56%) respondents agreed that the prevalence of banking apps for Pride Microfinance has increased the availability of banking information, 35 (65%) of the respondents' agreed that Pride Microfinance has a well proper distribution of its automatic teller machines to enable banking processes.

The study revealed that 40 (74%) of the respondents agreed that the time spent during transaction has greatly reduced as a result of Electronic Banking at Pride Microfinance, 38 (70%) of the respondents agreed that Pride Microfinance has managed to provide every possible customer related inquiries through electronic banking platform currently used thereby growing its customer care, 38 (70%) of the respondents agreed that Pride Microfinance has experienced growth in profit margin as a result of Electronic Banking, 30 (55%) of the respondents agreed that There has been improved service efficiency from the time the bank introduced electronic banking.

5.5 CONCLUSION AND RECOMMENDATIONS

CONCLUSIONS

Conclusions and recommendations to be undertaken in order to improve the performance of Pride Microfinance

The level of performance in Pride Microfinance has been attributed to the introduction of electronic banking as reflected on the level of its acceptance from the responses generated from

the respondents. Respondents are asked to suggest the level of performance at pride microfinance through regular interviews focus groups, comment cards and surveys as a result electronic banking. Its turned out that electronic banking has been associated with a number of benefits such as sales growth, speed of transaction, privacy of customer transaction details, to mention but a few.

Electronic banking is an integral part of service delivery in banking industry, a key for any business to survive they rivalry, speed of transaction is the key to value creation and customer satisfaction. It is therefore important for banks to think customer needs and wants specifically focusing on customers as a controlling function upon which successful organizations are built.

Customers alone keep the organization moving. Hence better treatment the customers are a source of advertising every organization's greatest assets are in customers because without them, there is no business. Winning and keeping customer satisfaction depends on how fast and how well they are being served. If you are to stay in business, think of customer satisfaction.

5.6 RECOMMENDATION

Basing on the level of services offered by pride micro finance, speed of transaction, privacy of customer information, proper distribution of ATMs should be a center of focus. This will ensure that the bank gives quality services that can attract many customers and improve on the level of customer repeat purchases.

The researcher also recommends that Pride Micro Finance should create enough awareness about their E-banking services since some of their clients are not aware about the E-banking services.

The researcher also recommends that Pride Micro finance should lower the cost of their Ebanking transactions as a better strategy to promote adoption of the service to a common man.

The organization should put in place proper measures of customer satisfaction that can increase the level of customer service.

The organization should ensure that customer satisfaction is important factors that increase ensures quality service. This will result into improved performance.

The organization should come up with the ways to improve on the level of customer satisfaction through customer loyalty. This is associated with advantages such as increased revenue volume.

5.7 AREAS FOR FURTHER STUDIES

Having explored the impact of E-banking on bank performance case of Pride Micro finance, the study has created a room for further research in areas like:

- E-banking adoption strategies.
- E-banking cost reduction strategies

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APPENDIX

Population and sample size determinant by Kregcie and Morgan 1970

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size. *S* is sample size.

Source: Kregcie & Morgan, 1970

APPENDICES
QUESTIONNAIRE

Dear Respondent,

I am a student at Uganda Christian University pursuing a Bachelor's Degree Accounting and Finance. I am conducting a research on the effect of Electronic Banking on the Performance of financial Institutions in Pride Micro Finance. You have been selected as one of their respondents for this study. The information you provide will be confidential and shall be used for academic purposes only. Feel free to answer these questions.

.....

KIZITO EDWARD

This Questionnaire is divided into three sections i.e. Bio-data, E-Banking services and Performance of financial institutions.

Write the appropriate answer in the spaces provided or tick where it is most appropriate in the options provided.

Bio-Data

1. Please tick (✓) your sex Male

☐ Female ☐

2. Level of Education

Postgraduate ☐

Graduate ☐

Diploma ☐

Certificate ☐

Other (specify)

3. Tick your age group

21 – 30 ☐

31 – 40 ☐

☐

☐

41 – 50

51 and above

4. How long have you been working in this Bank?

1 – 3 Years

3 – 5 Years ☐

5 – 7 years ☐

7 – 9 years ☐

10 years and ☐
above

Section A: FORMS OF E-BANKING TOOLS/SERVICES USED BY THE BANK

1. Please tick the E-Banking tools used in your Bank to transact with customers

Tool	Tick(✓)if Present
Electronic Funds Transfer	
✓ Mobile Banking	
✓ e-Payments	
✓ Internet Banking	
✓ Electronic Card (Debit and Credit Cards, ATM and POS)	

2. How effective is E-Banking in Promoting the Transactions listed below.

Rate how E-Banking promotes the following services. **Definition of scale for assessing how EBanking has promoted the services offered.**

Strongly agree (5), Agree (4), Not sure (3),Disagree (2), Strongly Disagree (1)

	Roles of E-Banking	5	4	3	2	1
a.	Electronic Banking services have contributed to the increase in the Customer deposits to the Bank.					
b.	Electronic Banking services have contributed to increasing number Of clients to the Bank					
c.	Electronic Banking services have increased the quality of work Offered by the bank to satisfy customers.					
d.	Electronic Banking services have contributed to reduction in Physical cash deposits and cash withdraw transactions.					

Section B: INFRASTRUCTURES USED AND EFFECT OF E-BANKING ON PERFORMANCE OF THE FINANCIAL INSTITUTION

3. Effect of electronic Banking on Transaction Costs

Key: *Strongly agree (5), Agree (4),Not sure (3),Disagree(2),Strongly Disagree(1)*

	Response	5	4	3	2	1
A	The low transaction costs of electronic banking has led to increased Customer deposits					
B	The low transaction costs of e-banking has increased frequency of Customer transactions hence increase in transaction fees					
C	The low transaction costs has led to payment of credit facilities Promptly					
D	The low transaction costs had increased product uptake such as ATM Service Mobile money					

For questions, Tick your rating on how electronic banking tools facilitate Transactions, customer satisfaction, Management quality, return on investment and Customer deposits.

Key: Strongly agree (5), Agree (4), Not sure (3), Disagree (2), Strongly Disagree (1)

	Response	5	4	3	2	1
	Mobile Banking and performance					
A	Mobile banking service helps to reduce transaction costs					
B	Mobile Banking service improves customer satisfaction and access to Banking services					
C	Mobile Banking improves Bank management by reducing transaction processing time, ease in auditing, risk management and loan Administration					

SECTION C: BENEFITS AND RELATIONSHIP BETWEEN ELECTRONIC BANKING AND PERFORMANCE OF FINANCIAL INSTITUTIONS

How do you rate the relationship between electronic Banking and Banks performance using the following indicators?

Definition of scale for assessing how E-Banking has Promoted performance of the Bank

Strongly agree (5), Agree (4), Not sure (3), Disagree (2), Strongly Disagree (1)

Performance Measures	5	4	3	2	1
Reduced Cost					
Increased Profit					
Increased customer satisfaction and access to accounts					
Increased Customer deposits					
Improved management quality					

12. Factors affecting effectiveness of electronic Banking. (Tick(✓) the factors you think affect the effectiveness of electronic Banking in your financial institution)

- a. Regulation by Bank of Uganda ☐
- b. Availability of Internet ☐
- c. Reliability of Network ☐
- d. Security problems ☐
- e. Power failure ☐
- f. Inadequate knowledge of using thee-banking tools ☐
- g. Low confidence levels in E-Banking ☐

13. Rate how you perceive electronic Banking in day to day transactions with the bank.Very good ☐Good ☐Fair ☐Poor ☐Not Sure ☐

1. In your view, what is the general perception about electronic banking with regard to performance of your financial institution?

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