

**E-BANKING SERVICES ON FINANCIAL PERFORMANCE OF FINANCIAL
INSTITUTIONS:A CASE OF DIAMOND TRUST BANK MBALE BRANCH**

RONALD OLINGA

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**UGANDA CHRISTIAN
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DECLARATION

I, **OLINGA RONALD** hereby declare that, this is my original work and has not been presented to any university or institutions of higher learning for any academic award. Where secondary sources of information used in this work, have been acknowledged.

Name: OLINGA RONALD

A rectangular box containing a handwritten signature in blue ink. The signature is cursive and appears to read 'Olinga Ronald'.

Signature

Date: 21/08/2024

APPROVAL

This research report has been written under my supervision has been submitted for the award of the degree of Bachelors in Business Administration with my approval as University supervisor.

MR MAENA DANIEL

A handwritten signature in blue ink, appearing to be 'D. Maena', with a long horizontal stroke extending to the right.

Signature:

Date: 22nd -08 -2024

DEDICATION

This research report is dedicated to my family more especially my relatives and, parents, brothers and dear friends for they tolerated me as “an absentee of the family” for the years I spent pursuing the course.

ACKNOWLEDGEMENT

With thankful and heartfelt appreciation, I acknowledge the contribution of my supervisor Mr. MAENA DANIEL of Uganda Christian University for his parental and academic guidance, commitment and readiness to help, including the professional listening skills rendered to me towards the completion of this work. May the almighty God bless them abundantly

I acknowledge with gratitude the contributions and co-operation made by Diamond trust Bank Staff for their willingness to provide the necessary information when I visited their respective desks during the research process. Without their cooperation, this study would have been impossible to accomplish.

I would like to deeply thank all my lecturers at UCU. These have adequately guided and equipped me with both theoretical and practical skills. I would also like to acknowledge the contribution of my classmates of UCU from whom I enjoyed fruitful discussions on challenging topics.

Finally, for those not mentioned here, thanks very much for your contribution.

MAY GOD BLESS YOU ALL

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LIST OF ACRONYMS

ATM	Automatic Teller Machine
BOU	Bank of Uganda
DTB	Diamond trust Bank
CVI	Content Validity Index
EFT	Mobile Fund Transfer
M-banking	E-banking services
PAR	Portfolio At Risk
PD	Probability Default
SPSS	Statistical Package for Social Scientists

ABSTRACT

The general objective of the study was to examine the effect of e-banking services on financial performance of Diamond trust Bank. The study was guided by the following objectives: to establish the effect of Mobile financial information on financial performance of Diamond trust Bank; to assess the effect of mobile transfers and receipts on financial performance of Diamond trust Bank and to assess the effect of online banking on financial performance of Diamond trust Bank. A case study research design was used. The study predominantly employed a quantitative approach but also used a qualitative approach. The study population consisted of 40 participants. A sample size of 36 respondents was selected using simple and purposive sampling techniques. Quantitative data analysis mainly consisted of descriptive statistics (percentages) and inferential statistics (Spearman correlation, coefficient of determination regression). Content analysis was used to analyze qualitative data. Findings revealed that there is a significant effect of Mobile financial information on financial performance of Diamond trust bank. Secondly, there is a significant effect of mobile transfers on financial performance of Diamond trust bank. Lastly, findings indicated that online banking has a positive relationship with financial performance of Diamond trust Bank. It was concluded that e-banking services variables (Mobile financial information services, mobile transfers and online banking) positively influenced financial performance of Diamond trust Bank but not online banking. Thus, it was recommended that for purposes of promoting Mobile financial information services towards financial performance, trust building among the customers should be a major concern for Diamond trust Bank while improving the usefulness of e-banking services. In order to achieve more with mobile transfers on financial performance, it is imperative that Diamond trust Bank ensures security and privacy are in place to monitor and evaluate the usage of the implemented technologies. Lastly, on online banking on financial performance of Diamond trust Bank, the bank needs to make sure that awareness about online banking is created in the public through massive advertisement on radios, televisions and newspapers.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study was done with an aim of assessing the effect of e-banking services on financial performance of financial institutions in Uganda with specific reference to Diamond trust Bank. E-banking services was initially predetermined to be used as the independent variable on financial performance was to be considered as the dependent variable as diagrammatically expressed in figure 1. This chapter majorly expounds on the background roots of the study, the problems which fostered the undertaking of the study, the study aim, the specific objectives which guided the development of the research questions and hypotheses. Further the conceptual framework is illustrated, along with the study scope, significance, justification the operational definitions.

1.1 Background of the Study

The background to the study is presented in four themes including historical, theoretical, conceptual, and contextual background.

1.1.1 Historical Background

This study arose as a consequence of historical poor satisfaction of commercial banks which has been reported worldwide, in developed and developing countries and nationally. A number of studies have been done in relation to the causes of poor satisfaction of commercial banks and most of them have been attributing this problem to a number of factors and one of them is underutilization of information technology. The advancement in technology spearheaded the invention of different ways of improving the operation of business and banking at large (Al-Jabri, 2012). In banking, the invention of e-banking services rose as a result of information technology since it meant that such technology would be integrated in the daily running of banking and reduces on the time spent in banking process. Bradley and Stewart (2003) indicated that in countries like Brazil, the invention of e-banking services saw the increased cost minimization in the running of banking facilities and this increased their level of profitability. It is from such grounds that the researcher picked interest to undertake this study to measure whether this has been possible in Uganda.

In developing countries particularly Africa, the invention of e-banking services majorly came as a result of a recommendation by IMF to ensure that Banks across the world can work in tandem to easy the transfer of money from one place to the other in early in 1990s. In Uganda, e-banking services was first reflected

in form of electronic innovation in 1992 which was introduced by Standard Chartered Bank (Standard Chartered Bank Profile, 2004). In Uganda, the introduction of electronic banking started in 1993 when Bank of Uganda designed a website intended to disseminate banking information (Kasita, 2004). By 2001, there was continued progress being made in Uganda in the use of ATMs in Kampala City due to ATM establishments. It was hoped that the risk of money transfer from location to location would be reduced (Kanyegirire, 2004).

According to Mwebya, as reported by Ssettumba (2004), a payment system in which the transfer of funds is done electronically was introduced in Bank of Uganda in 2004. In Diamond trust Bank, Internet banking was introduced in 1998 and was restricted to people with basic knowledge of computers and the Internet, technical difficulties and connectivity problems, proxy websites, and security problems such as the problem of electronic bank fraud. It was from such basis that caused increase adoption of internet banking in Diamond trust Bank to go slowly since it is so much in ancient customers. Basing on the above background, this study endeavored to assess whether the adoption of e-banking services had improved on financial performance of Diamond trust Bank Uganda.

1.1.2 Theoretical Background

This study was guided by the theory of social construction of technology. This theory was advanced by Collins (1975); Pinch (1977, 1986); and Pickering (1984). This theory is based on four main assumptions. First, the theory assumes that any technological innovation must have an interpretive flexibility if financial performance is to be achieved. Pickering (1984) postulates that the designing of technology in an organization has the potential to provide a number of outcomes depending on how the society being served perceives it. Therefore, he argues that there is a need for technologies to be rooted from intergroup negotiations over the interpretation of observations if future financial performance is to be enhanced (Pinch 1996). The second assumption is that the any new technological innovation must be relevant to the targeted social group. This is because targeted or relevant social groups are the embodiments of particular interpretations, thus, multiple groups usually tend to possess differing definitions of any technology designed and introduced. Thus, the introduction of new technological development requires to be implemented until when all parties concerned have reached on a consensus (Bijker 1995).

The third assumption of theory is related to 'closure' and 'stability'. Pinch and Bijker (1987) agitates that multiple groups of people must be involved in the continue designing new technology to avoid conflicting images and this needs to continue until when all conflicts are resolved and the differing definitions are conceded to avoid problems in perception. The last assumption under which this theory is built is wider

context. According to Pinch and Bijker (1987), the new technological advancement must be welcomed and fully integrated in the comprehensive social, cultural and political grounds in which artifacts are developed. This completely made it a success and its goals were realized widely.

In this study therefore, this theory presupposes that if e-banking services is to be adopted in commercial banks, there is a need to ensure that all customers have the same interpretive flexibility, relevant to all of them, all people targeted or customers are involved in designing the design and fully welcomed by the entire community, if Financial performance is to be achieved. This thus form the research assumption that Mobile financial information services, mobile transfers and online banking can have an effect on Financial performance if customers have the same interpretive flexibility, relevant to all of them, involved in designing the design and fully welcomed by the entire community.

1.1.3 Conceptual Background

The study was oriented on two main variables that is; e-banking services on financial performance. In this study, e-banking services (m-banking) means the process of undertaking banking while using any mobile device and in most cases while using a mobile phone (Anyasi and Otubu, 2009). This study conceptualized e-banking services to mean the establishment of Mobile financial information services, mobile transfers and online banking in Diamond trust Bank.

On the other hand, financial performance means achievement of required profit, liquidity and increased asset building in an organization. This means that the absolute and relative measures are in support, the liquidity ratios, current ratios and acid test ratios are Customerly supportive in an organization (Panday, 1996). Stoner (2003) further looks at financial performance to mean the ability to perform profitably, efficiently and effectively. This study measured financial performance to mean liquidity, profitability and accountability.

1.1.4 Contextual Background

E-banking services emerged in Uganda mostly in 2007 following the failure of many commercial banks. In guarding against such failures, a number of commercial banks started adopting e-banking services as a way of remaining competitive in banking environment in Uganda (Kakembo, 2005). Diamond trust Bank is reported as among the frontline banks in Uganda to introduce e-banking services in their service provision eyeing for improving financial performance. Diamond trust bank was among the first commercial bank to put in place Mobile financial information services like e-cheque services and smart cards systems in 2008 as well as introducing debit and credit cards, cente-mobile, telephones, mobile phones and web sites (Nabayunga, 2006). All these were done to improve its financial performance while curbing bank fraud, making accounts secure and be accountable to people they serve. However, it is reported that the financial

performance of the bank is still indulged in a number of problems and Customer errors. It appears that the e-banking services used in form of Mobile financial information services, mobile transfers and online banking were still being queried.

1.2 Statement of the problem

The emergence of e-banking services had a significant influence on its adoption by Commercial Banks worldwide. Diamond trust Bank was among the first banks to adopt e-banking services in form of ATMs, telephones, mobile phones and websites (Dumba, 2024). These were adopted in the view of improving its financial performance that is in form of improving profitability, liquidity position accountability. However, this has not been the case, in 2015; Diamond trust Bank was reported to have lost over UGX 4billion shillings from its very managers, who swindled customer money using ATMs (Diamond trust Bank annual report, 2016). In addition, UGX 800 million shillings were embezzled from the bank from outsiders who by all means acquired Pin codes and the bank was made to pay for the losses (Diamond trust Bank Annual Report, 2024/2015). In 2012, criminals hacked into the bank's records and created records showing that sh10billion was transferred mob ally from several customers' accounts to a particular single account at the Jinja Diamond trust Bank Branch (New Vision, 28th, Jan 2015). This consequence of this problem lied in capital base depletion of the bank. This triggered this investigation to establish whether e-banking services in one way or the other is linked to financial performance of commercial banks in Uganda using Diamond trust bank Mbale branch.

1.3 Purpose of the Study

This study was to examine the effect of e-banking services on financial performance in Diamond trust Bank Mbale branch

1.4 Objectives of the Study

- i) To establish the effect of Mobile financial information on financial performance of Diamond trust Bank.
- ii) To assess the effect of mobile transfers and receipts on financial performance of Diamond trust Bank.
- iii) To examine the effect of online banking on financial performance of Diamond trust Bank.

1.5 Research Questions

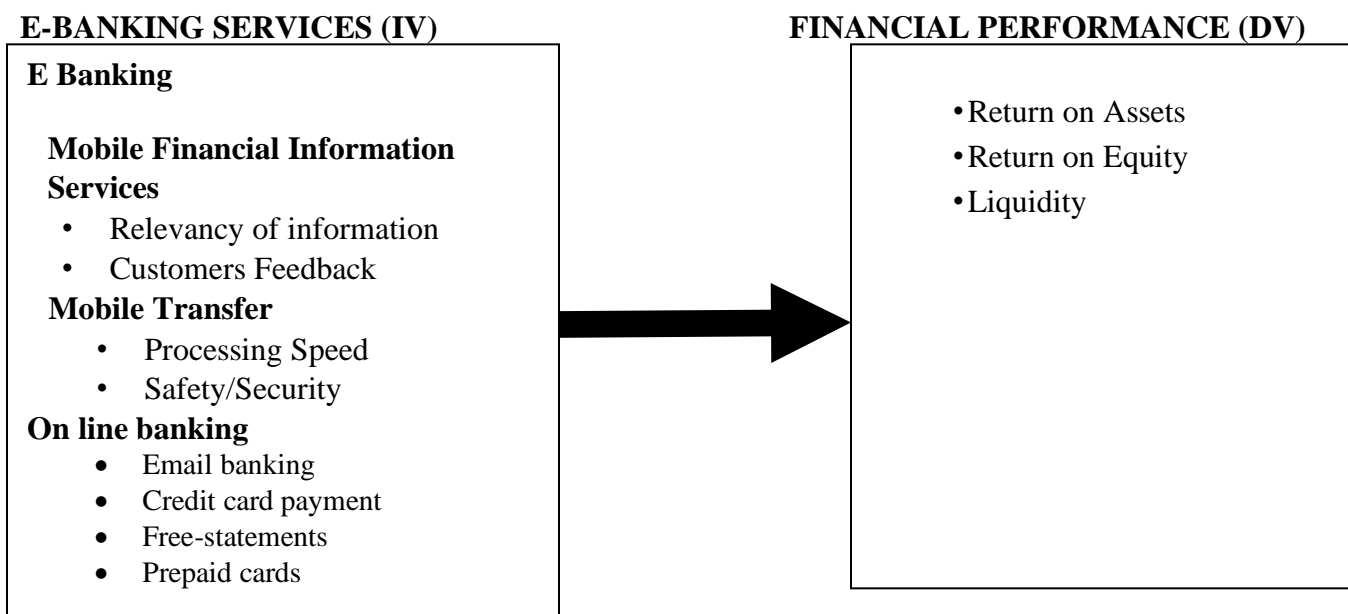
- i) What is the effect of Mobile financial information on financial performance of Diamond trust Bank?
- ii) What is the effect of mobile transfers on financial performance of Diamond trust Bank?
- iii) What is the effect of online banking on financial performance of Diamond trust Bank?

1.6 Hypotheses

- i) There is a significant effect of Mobile financial information on financial performance of Diamond trust Bank
- ii) There is a significant effect of Mobile transfers on financial performance of Diamond trust Bank.
- iii) There is a significant effect of online banking on financial performance of Diamond trust Bank Uganda

1.7 Conceptual Framework

This is a diagrammatic representation of the linkages among the variables of study. It shows the conceptualized effect of the independent variable. The conceptual linkages for this study are illustrated by using the diagram below:



Source: Adapted from Malden2009 and modified by researcher 2024

The conceptual Framework in Fig 1.1 illustrates two major variables: The Independent Variable (E-banking services) and Dependent Variable (financial performance). E-banking services will be conceptualized into constructs namely: mobile financial information, mobile transfer and online banking. The study will be carried out with the presumption that there is an association between E-banking services and financial performance, denoting that financial performance invariably depends on the efficacy of E-banking services. This means that if for example mobile financial information, mobile transfer and mobile deposit are deemed favorable, the positive financial performance will be realized. In this study, financial performance will be measured by return on assets, return on equity and liquidity.

1.8 Significance of the study

The study is expected to benefit readers as far as the effect of e-banking services on the financial performance of Diamond trust Bank is concerned;

- i) To Diamond trust Bank, the study may help in solving risks associated with e-banking services in Diamond trust bank since the sources of risks are exposed.
- ii) To the central Bank, the study may help in modernizing its operations as far as integrating e-banking services in Customer institutions in Uganda is concerned.
- iii) To the central Bank of Uganda, the study may help it to form a “Center for Online Banking Technology and Management”
- iv) To other Scholars, the study may help other researchers to gain more knowledge of the area they are researching about and point out what has been about the problem and what was probably left out.

1.9 Justification of the study

Prior studies (including Anguelov et al, (2004) and Rogers (2009) had been done on e-banking services on financial performance of commercial banks in Uganda. However, no study has been done on the aforementioned topic in Diamond trust Bank considering the same dimensions of e-banking services like Mobile financial information services, mobile transfers and online banking. Diamond trust Bank was reported to have lost over UGX 4 billion shillings from its very managers, who swindled customer money using ATMs (Diamond trust Bank annual report, 2016). In addition, UGX 800 million shillings were embezzled from the bank from outsiders who by all means acquired Pin codes and the bank was made to pay for the losses (Diamond trust Bank Annual Report, 2024/2015). In 2012, criminals hacked into the bank's records and created records showing that sh10 billion was transferred from several customers' accounts to a particular single account at Mbale Diamond trust Bank Branch (New Vision, 28th, Jan 2015). This gave a rightful rationale to act as a basis for undertaking this study in Diamond trust bank Uganda.

1.9 Scope of the Study

1.9.1 Content Scope

This study delimited itself to examining the effect of e-banking services on financial performance. E-banking services in this study had the dimensions of Mobile financial information services, mobile transfers and online banking whilst; financial performance was limited on liquidity, profitability and accountability.

1.9.2 Geographical Scope

The study was conducted in Diamond trust Bank Mbale branch which is located along Bishop Wasike

Road in Mbale City

1.9.3 Time Scope

The study focused on the time framed between 2011-2016 because this is the period when the financial performance of Diamond Trust Bank was characterized by massive inefficiencies (Diamond Trust Bank annual report on financial statement, 2015).

1.10 Operational Definitions of Terms

Mobile deposits and withdrawals: This phrase was used in this study to mean the mobile approaches provided by Diamond Trust Bank for its customers to deposit and withdrawal money wherever they are and whenever they want to (UCC Mobile money Guidelines, 2013)

Mobile transfers and receipts: This was used to refer to the mobile ways, channels, avenues, etc. provided by Diamond Trust Bank for its customers to transfer and receive money wherever they are and whenever they want to (UCC Mobile money Guidelines, 2013).

Mobile Financial Information Services: This was used to mean avenues put in place by Diamond Trust Bank to make accessible vital financial information for its clients such as bank statements, pay bills, account balances, etc. by use of mobile devices at any time (UCC Mobile money Guidelines, 2013).

Return on Assets: Diamond Trust Bank will use this to mean the financial gain on the asset investments made on behalf of the bank's shareholders over the past four years (B.O.U Annual supervision report, 2012).

Return on Equity: Diamond Trust Bank will use this to mean financial gains on the money invested by the bank's shareholders over the past four years (B.O.U Annual supervision report, 2012).

Liquidity: This term was used in the study to refer to the extent to which Diamond Trust Bank has money in cash form available for use at any one time (B.O.U Annual supervision report, 2012). In this chapter, the researcher defined the research problem, the study purpose, with clear research objectives, questions and hypotheses and justification of the study. Thus, the next chapter was aimed at addressing the theory

that guided the study, reviewing and critiquing any related literature to the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

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

2.2 Empirical Review

2.2.1 Mobile Financial Information Services and Financial Performance of Banks

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

Mobile phone usage in Africa has become vital in bridging the gap between the unbanked populations and the mainstream financial systems. Much as mobile phone penetration promotes the saving culture at individual level, it has also enables banks realize their desired financial performance through provision of mobile financial services to its clients. Access to mobile financial services improves the rate and ease of transacting using mobile devices thus growing the saving culture as well. Usage of mobile phones and internet banking encourages savings on mobile accounts and bank accounts linked to telecom sim card. Thus, to the poor and low-income earners with limited access to formal financial services, strengthening the area of mobile phone financial services is a way of enhancing saving skills (Cull, et. al., 2024).

One of the easiest possible way to bring the most of Africa's population that does not have a bank account to the financial system is by embracing E-banking services. This has been possible in rural Kenya where the number that could access a financial account grew by over 33 percent between 2011 and 2024 mainly because of E-banking services adoption. In Kenya, financial inclusion grew by more than 200% in three years among the unbanked with over 63 percent having a financial account by 2024,

and this automatically led to improved financial performance of banks.

E-banking services reduces the time and cost of bringing financial services to the furthest population than investing in physical structures as it is the case in formal banking. This is slowly bringing the unbanked population into the financial system thus also giving business to the banks. According to Rosengard (2016), 19 million users now send 15 billion Kenyan shillings in remittances daily (US \$ 150 million) and Kenya's population with access to a financial account is more than double that of other sub-Saharan African countries and almost triples the typical rate in low-income countries worldwide.

2.2.2 Mobile Transfers/ Receipts and Financial Performance of Banks

Over two billion people in developing countries around the world face challenges to tasks as simple as receiving wages or sending money to family members. Without access to banking services, their finances are unstable because they don't have a good way to save for the future or borrow in times of need (Jay Rosengard, 2016). According to the study by Mari (2006) about adoption of E-banking services in Europe, E-banking services would ease the person to person transactions, avail electronic transaction records at any time, make bill payment simplified and reduction of banks productivity within the locality. According to Porteous (2007), most of the unbanked people in Washington DC was unbanked mainly because of unemployment as many believed formal employment was a requirement to have an account.

The mobile transfer refers to the money transfer system that allows individuals to send and receive money to and from mobile networks within and outside the country (Ivatury & Mas, 2008). Mobile money system has become the cheapest means of financial transaction among the populace that allows individuals to effectively send and receive cash (Donovan, 2012). The system necessitates the receiver to visit and extract cash from an agent with an e-float of the sender's service provider, for funds to be routed back to the sender.

Meanwhile Aker & Mbiti, (2010) noted that while mobile money does not offer all the advantages of services rendered by the traditional banking system such as the interest on savings, credit and insurance, on the value saved on the mobile account, it equally provides the services of transferring cash to other mobile money accounts using interoperability systems. Mobile technology supports product and service delivery for energy, water, and sanitation in many ways and, in recent years, mobile money itself has been used to improve the efficiency of bill payments and to offer pay-as-you-go products (GSM, 2016). This report further indicates the various benefits of mobile money bill payment which include; increased

service affordability, improved user experience, convenience, financial inclusion and build credit history. Some service providers have stated that they can bear the cost for their customers remitting dues via mobile money because it affords them a cheaper avenue to collect dues from customers on a regular basis (UNCTAD, 2012). National Water and Sewerage Corporation in Uganda, scrapped all of their cash collection centres and resorted to using banks and mobile money as the only ways for users to pay their bills.

Bangens and Soderberg (2008) assessed the role of E-banking services and its potential to provide basic banking services to the vast majority of people in sub-Saharan Africa. According to Bangens and Soderberg (2008) E-banking services has facilitated financial transactions and remittance of funds and that E-banking services has enhanced the operations and competitiveness of Mobile Money Agencies.

Chogi (2006) noted that mobile phones had a positive impact on the revenues posted by mobile money agents and those most mobile money agents and customers argued that mobile phones enable them to reduce operating costs. Likewise, Donner and Escobari (2010) contend that mobile phones have played an important role in enabling mobile money agents to become more productive thereby improving their financial performance (Wambari, 2009). E-banking services has enabled mobile money agents to increase their sales thereby leading to improved performance. Bangens and Soderberg (2010), propound that with the help of mobile money transfers mobile money agents can significantly reduce their operating costs and can improve on their performance. Jensens (2007) lays emphasis on the fact that mobile phone financial transactions assist mobile money agencies in reducing information asymmetries and market inefficiencies hence enabling them to attain improved performance. Efficient and affordable money transfer and payment services are an important financial service most people require, including those who do not typically use financial or banking (Kamau, Cerstin and Mukwana, 2003).

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

2.2.3 Online banking and Financial Performance of Banks

Ahmed et. al., (2001) further had ascertained that instant cash transfer provides a much more good level of convenience when undertaking the management of personal funds even when you are in bedroom, banking can take place and this makes the bank working 24hrs and hence improvement in Financial performance. However, it is challenged by level of insecurity and threatened privacy. Literature established that there are no cases of account compromised in Diamond Trust Bank through online and online banking is free from security risks. These tell us that the bank has done a lot to away with phishing and cybercrimes that are involved in mobile money transfer. This makes the system attractive to a big number of people.

Further, Mattilla (2002) did a research on factors affecting adoption of online banking services and applied the innovation diffusions theory. In her study, she asserts that demanding and knowledgeable customers assume that providers of banking service acting in an environment that is technologically driven will continue keeping up with development, apply further technological innovation in service offerings and ease up lives of customers. Online Banking offers a higher level of convenience for managing one's finances even from one's bedroom (Nath et. al., 2001). However, it continues to present challenges to the financial security and personal privacy. This study will be undertaken to assess whether online banking as used in Diamond Trust bank has reduced on congestions involved in b Ayadi (2003) incongruently believed that access to mobile means of payment and the high number of customers connected to the online has changed the perception of banks toward market and increased the development of online Banking. Hutchinson and Warren (2003) argue that online banking requires a policy of security that is sounding and propounded on effectiveness on the side of users. Online banking technology has made remarkable changes in the banking industry, which include: cost reduction due to mobile processing carried out on the Online. This study will be conducted to establish whether online banking has provided convenience to bankers and how this has turned into improved financial performance of Diamond Trust Bank.

Donner and Tellez (2008) in the study they did in Indian commercial banking, they aimed at establishing the rate of adopting, usage and impact of online banking on financial performance. it will be established that on-line banking offers a chance and best way of lowering costs of transferring money from one user to another at any time and this promotes financial performance of a commercial bank since transactions means income on the side of the bank. Further, online banking came with increased usage of mobile payments which innovation is very important is providing account details on spot and avoid compromising the security. Many people have had their account details compromised, because of online

banking. However, Aniston (2008) argues that the risks involved in mobile payments, which tend to consist of impersonation. Commercial banks according to Aniston (2008) have a duty to keep clients alert about the risks involved since the higher the risk, the lower the rate of adoption and the lower the risk, the higher the rate of adoption and the higher the improvement in Financial performance of commercial banks. This study will be conducted to establish whether online banking has provided convenience to bankers and how this has turned into improved financial performance of Diamond Trust Banking and whether this has had an effect on financial performance of Diamond Trust bank.

2.3 Summary of Literature Review

Some of these studies were conducted in different arenas which lack the empirical truth of what is happening in Uganda. Relatively little scholarly research explored the relationship between e-banking systems and Financial performance of commercial banks in a developing country like Uganda. This study therefore will seek to fill some knowledge gap in the research literature. This chapter will explain the theoretical underpinning, which will be the innovation diffusions theory. This theory fell short of explaining what is exactly happening in Diamond Trust Bank, this study will endeavor to establish its applicability in the study findings. It further provided literature on the three objectives, which also was also the components of e-banking transactions. The literature on these study objectives lacked contextual relationship with what is happening in Diamond Trust Bank in Uganda. Most of these literatures seemed general in scope. This study therefore, will establish that the prevalence of e-banking has improved on financial performance of Diamond Trust Bank.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter consists of the design required to undertake this research, sampling respondents, collecting data, establish validity and reliability of the tools and analyzing of data to be collected.

3.1 Research Design

The study adopted a case study survey design. A case study was used to ensure that Diamond trust Bank can be used to represent other commercial banks in Uganda (Barratt and Kirwan, 2009). Quantitative methods were used to quantify data for purposes of describing current conditions while investigating the effect of the two study variables. The study also adopted a qualitative approach to ascertain the in-depth information for the study variables while balancing opinions from a number of respondents (Amin, 2005).

3.2 Study Population

The study population consisted of 40 respondents. These consisted of (1) bank manager,(5) credit supervisors,(7) Bank tellers,(2) auditors,(1) customer care representative,(4) bank sales representatives (20) customers. All these were chosen because of their relevancy with the study objectives.

3.3 Sample Size

The study used a Sample size of 36 respondents who included;(1) bank manager,(4) credit supervisors,(6) bank tellers,(2) auditors,(1) customer care representative,(3) sales representatives,(19) customers

The researcher used Slovene formula to arrive at the stated sample size above given the total population of 40 respondents

N is the number of respondents

e^2 error in sampling

$$N = \frac{N}{1 + Ne^2}$$

$$N = \frac{40}{1 + 40 * 0.05^2}$$

$$N = \frac{40}{1 + 0.1}$$

$$N = \frac{40}{1.1}$$

$$N = \underline{\underline{36 \text{ Respondents}}}$$

Table 1: Sample Size of Respondents and Sampling Technique

Category of Population	Population Size	Sample Size	Sampling Technique
Bank Manger	1	1	Purposive sampling
Credit supervisors	5	4	Purposive sampling
Bank tellers	7	6	Purposive sampling
Auditors	2	2	Simple random sampling
Customer care representative	1	1	Simple Random sampling
Sales representatives	4	3	Purposive sampling
Customers	20	19	Simple random sampling
Total	40	36	

Source: primary data ((2024)

3.4 Sampling Techniques

This study employed simple random sampling technique representing probabilistic sampling design and purposive sampling representing non-probability sampling. Simple random sampling was taken as appropriate for choosing bank lower officials in Diamond trust bank. According to Mugenda & Mugenda (2003), this technique is preferred because it reduces bias. For purposive sampling, this was used in choosing bank manager, credit supervisors, bank tellers, and sales representatives. This technique was used because it was important in choosing people who are knowledgeable about e-banking services on financial performance of Diamond trust bank (Sekaran, 2003).

3.5 Data Collection Methods

Data gathered from both primary and secondary sources. Qualitative and quantitative methods were used in the collection of data. Original data was gathered using self-administered questionnaires and interviews. While secondary data was obtained from review of documents such as journals, reports, planning

documents, memos, and files. The data was collected from Diamond trust Bank by the researcher and assisted by research assistants for convenience and speed.

3.5.1 Questionnaire Survey

A questionnaire survey refers to a method of data collection that is designed with a series of short questions using both open and close ended questions to allow prompt answers from respondents (Amin, 2005). This was employed to collect original data from bank lower officials in Diamond trust bank. This involved use of close ended questionnaire which allowed easy correlation regression of the respondent's attitudinal disposition on the independent and dependent variables (Amin, 2005). Secondly the use of questionnaire allowed busy respondents to adequately reserve time to answer the questions in their convenient hours (Oso and Onen 2008).

3.5.2 Interview

The study employed interview method. Interview method means collecting data while asking differing questions that allow probing and prompting of respondent's answers (Ruane, 2015).The researcher obtained more information on e-banking services on financial performance of Diamond trust bank. This method helped the researcher to clearly obtain in-depth answers or information from key informants and allowed clarification on anything that may arise than a survey method. .The interview method was best used on bank manager, sales representatives and credit supervisors

3.5.3 Documentary Review

The study here collected secondary data guided by the documentary review checklist. Researcher reviewed documents in order to obtain information that was related to the study .This method was used because it enabled the researcher to find data at his appropriate time. Gather data that was thoughtful in that informants give attention in obtaining them and enable the researcher obtain data in the language of the respondent (Oso & Onen, 2008).

3.6 Data Collection Instruments

3.6.1 Questionnaire

A questionnaire refers to a tool of data collection that is designed with a series of short questions using both open and close ended questions to allow prompt answers from respondents (Amin, 2005). This was employed to collect original data from customers in Diamond trust bank. This involved use of close ended questionnaire which allowed easy correlation regression of the respondent's attitudinal disposition on the independent and dependent variables (Amin, 2005). Secondly the use of questionnaire allowed busy

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3.6.2 Interview Guide

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3.7 Quality control

3.7.1 Validity

Validity refers to what an instrument is supposed or meant to measure (Mugenda & Mugenda, 2003). Similarly according to Amin (2005), it is the extent to which a scale measures the concept that it is intended to measure; determined using various methods but the most crucial being via the content validity method (CVI). Content Validity Index (CVI) reveals the potential of the constructed instrument to remain right and true for the intended study.

3.7.2 Reliability of Instrument

Reliability is a measure of the degree to which an instrument yields consistent results or data everytime it is used to measure trait or concept from the same respondents (Mugenda & Mugenda, 2003). Internal consistency technique was used where a fraction of respondents (10 respondents) not part of the study were requested to answer a pre - test questionnaire and thereafter data that was obtained was used to calculate Cronbach alpha (Appendix C). Respective *alphas* obtained are shown in Table.2.

Table 2: Reliability Cronbach alpha coefficients of e-banking services on financial performance

Variable	Alpha coefficients
Mobile financial information services	.885
Mobile transfers	.816
Online Banking	.814
Financial performance	.901

**Source: Primary data 2024*

Table.2 shows reliability *alpha* coefficients for the questionnaire items used in the study; 0.885, 0.816, 0.814 & 0.901 for autocratic leadership style; democratic leadership style; laissez-faire leadership style & staff satisfaction, respectively. According to Amin (2005) an *alpha* above 0.5 indicates credible reliability of an instrument. These enabled the used instrument to be assumed reliable to produce consistent results when the tool is applied variously.

3.8 Data Collection Procedures

The researcher obtained a letter from Uganda Christian University to introduce him to Diamond trustBank and specifying that the data collected was solely for study purposes. Upon obtaining the requisite permission, the researcher proceeded with data collection starting with giving out questionnaires to the Diamond trust Bank officials. After that, interviews were conducted with bank manager and credit supervisor staff at Diamond trust Bank.

3.9 Data Analysis

3.9.1 Quantitative data analysis

The researcher presented data using descriptive and inferential statistics where frequency tabulations were used to present the data on sample characteristics whereas for the research objectives, spearman correlation matrix and linear regression analysis was used. The researcher used correlation analysis to test the effect of e-banking services on satisfaction of Diamond trust bank whereas regression analysis was used in examining the extent of influence of e-banking services on financial performance of Diamond trust bank.

3.9.2 Qualitative data analysis

Qualitative research is subjective, rich and in-depth description of information presented in form of words that were derived from the respondent's open-ended questions and interviews. The quantitative data was analyzed for content and language used through reviews of scripts looking for similarities and differences to identify themes and develop categories accordingly to the study objectives

3.10 Ethical considerations

Privacy was safeguarded by informing the participants in advance that their names were required and therefore the information they give remained anonymous, and if the participants felt uncomfortable to answer certain questions, they had a right to leave them out and were not coerced (Mugenda & Mugenda, 2003).

To safeguard confidentiality, the participants were told early enough that the information they give was for only academic use and that any information obtained on private matters were preserved in confidence (Amin, 2005).

To ensure that there was no plagiarism in this study, all work used in this book was cited for and referenced. The researcher also went ahead to ensure that originality was ensured while using other people's work by testing this work using Turnitin Software from UCU website (Kothari, 2004). Further, voluntary participation was observed where by respondents were not forced to participate in the study without their will. They were persuaded through rapport.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents an analysis and interpretation of study findings. This chapter provides information on the population demographics in terms of respondent characteristics, response rates, data screening, test results, measurement differences, testing of the hypotheses and measurement model estimation. In general, the analyses were conducted using a two-phase process consisting of confirmatory structural model and confirmatory measurement model. The findings are presented based on the study objectives and their respective hypotheses tested.

4.1 Response rate

Table 3: Showing the response rate

Respondents	Sample size	Frequency	Percentage
Bank manager	1	1	100%
Credit supervisors	4	5	100%
Bank tellers	6	7	98.2%
Auditors	2	2	99.1%
Customer care representative	1	1	100%
Sales representatives	3	4	78.9%
customers	19	20	98.6%
Total	36	40	95.4

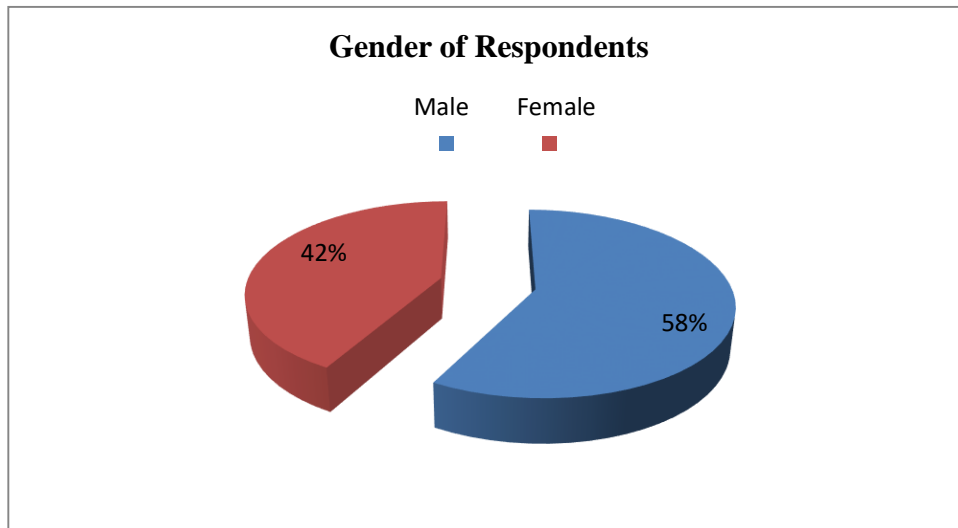
Source: Primary data, 2024

It is evident that the study was done basing on a response of above 70% which is recommended by Amin (2005). In this study, the response rate was measured at 95.4%. This means that on the 40 respondents, 36% of the respondents managed to attend to the study.

4.2 Background of the Respondents

4.2.1 Gender of the respondents

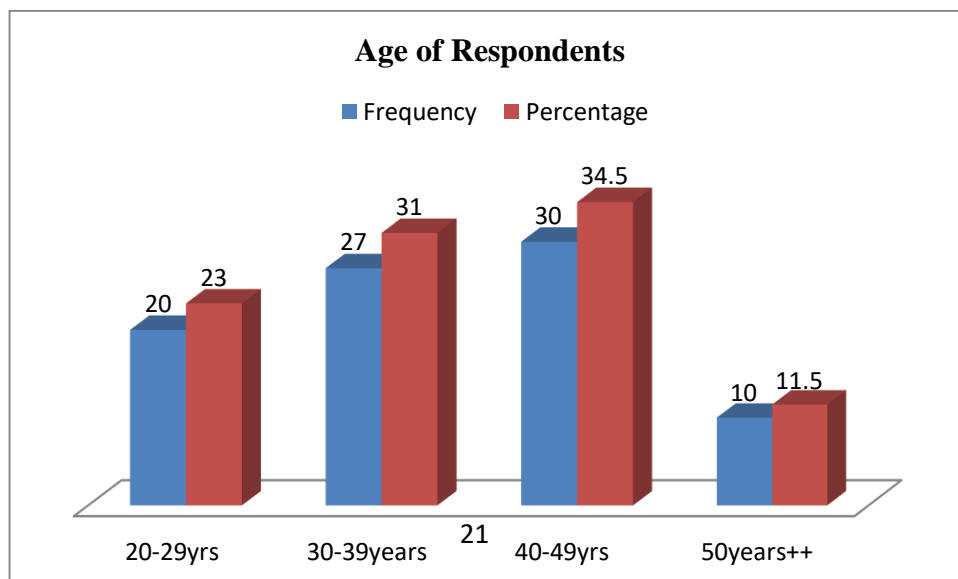
Figure 2: Gender of the respondents



Source: primary data 2024

Figure 2 above shows that, many of the respondents as investigated in Diamond trust Bank were males taking over 58% of the respondents. Females were 42%. This means that the study was done among both males and females.

4.2.2 Age of the Respondents Figure 3: Age of the respondents

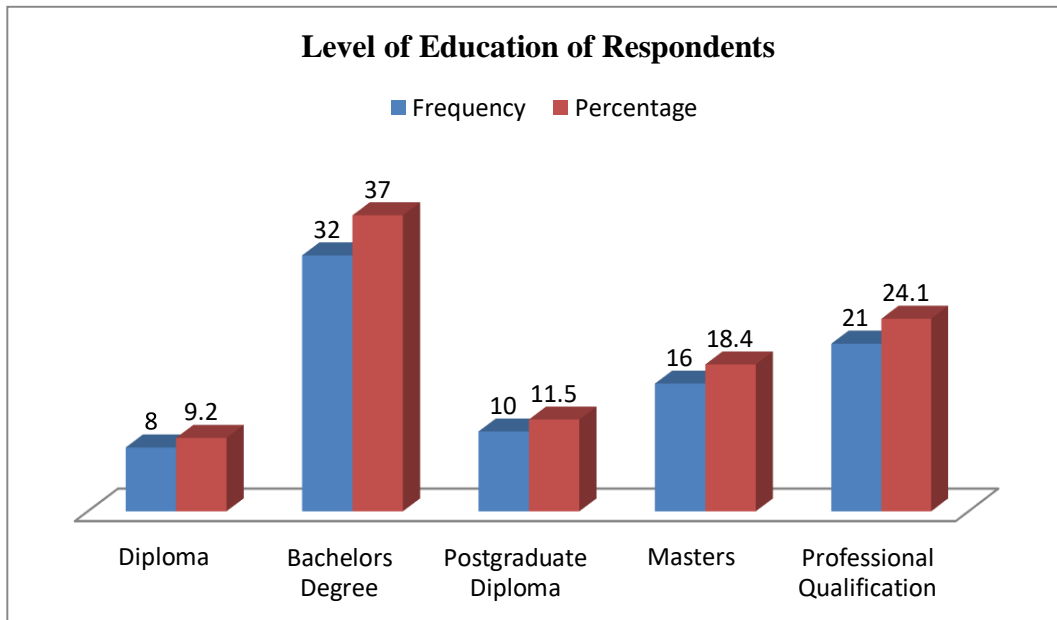


Source: primary data 2024

On age groups, majority of them were 40-49years and these were calculated with 34.5%. Those who took 30-39years had a representation of 31%. The next age group was those of 20-29 years and this had a percentage of 23% and those of years of above 50years were represented by 11.5%. This means that the study was done majorly in mature people who would be relied when collecting data.

4.2.3 Level of Education of the Respondents

Figure 4: Level of education of the respondents

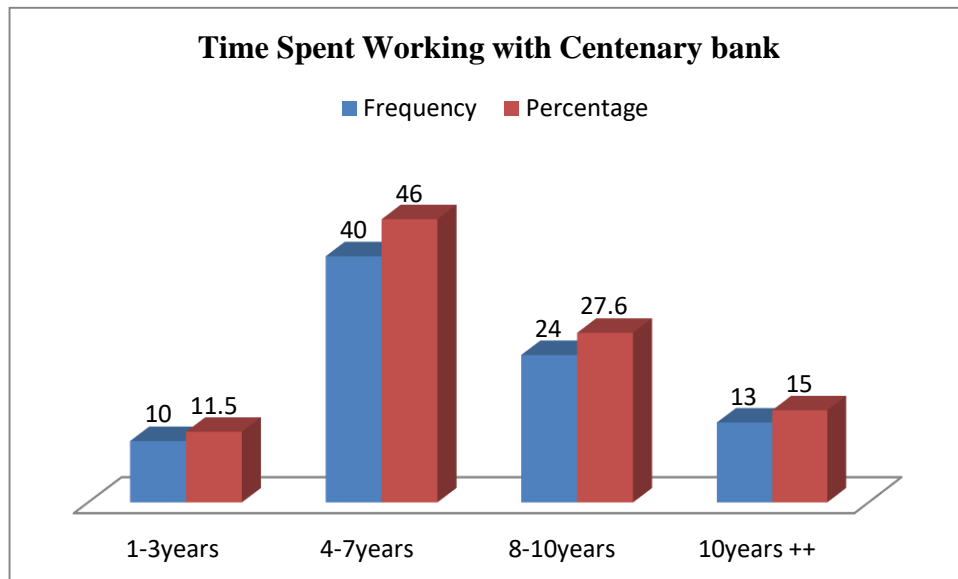


Source: primary data 2024

Majority of respondents in Diamond trust Bank officials had attained professional qualification of CPA with (24.1%) of the respondents. 37% had a bachelor's degree, 9.2% had achieved a diploma level of education. 11.5% of the respondents represented post-graduate diploma holders and 18.4% represented those with a master's degree. Basing on the above findings, given the fact that the study was conducted in both much educated and less educated fellow, this completely provides balanced pictures required by the study as per the mental and cognitive capacity of the respondents.

4.2.4 Time spent working with Diamond trust Bank

Figure 5: Time spent working with Diamond trust Bank



Source: primary data 2024

Here, majority of the respondents were in Diamond trust Bank for over 4-7years and these were measured with 46%. 27.6% of them had spent over 8-10years, 1-3years had been working with Diamond trust bank for 1-3years and the last category of 10years and above had spent 15%. This means that most of the respondents used in the study had the required internal memory of what had been happening as far as e-banking services on financial performance of Diamond trust Bank is concerned.

4.3 Empirical findings on e-banking services on financial performance of Diamond trust Bank

The findings in relation to the satisfaction of Diamond trust bank have presented objective by objective.

4.3.1 Findings on e-banking services on financial performance of Diamond trust Bank

Table 4: Descriptive Statistics on Financial performance of Diamond trust Bank

Statement	Percentage responses (%)	Mean	SD	D	N	A	SA	Comments
Our bank has enough cash to meet its obligations effectively	3.9%	3.50	0.28	3.9%	7.8%	39.4%	44.7%	Moderate
All our loans are paid on time	3.9%	3.54	0.32	2.6%	6.5%	53.9%	34.2%	Moderate
The default level in our bank has reduced for the past three years	5.2%	3.73	0.17	11.8%	5.2%	87.0%	35.5%	High
Our Return on Equity has increased for the past three years	2.6%	4.00	0.45	3.9%	7.8%	59.0%	26.3%	High
Every year increases shareholder's equity	1.3%	4.02	0.50	1.3%	31.5%	61.8%	3.9%	High
Our net income supersedes our operating costs for the last 3 years	1.3%	4.07	0.38	1.3%	3.9%	71.8%	21.5%	High
All bank loans are duly collected	0.0%	4.11	0.52	0.0%	17.8%	50.0%	87.2%	High
The bank's asset base has greatly increased over time	0.0%	4.37	0.61	0.0%	2.6%	50.0%	47.3%	Very High
The bank's income increases every year	0.0%	4.43	0.58	0.0%	21.5%	37.0%	41.3%	Very H

Source: primary data 2024

Table 4 presents a detailed analysis of the financial performance of Diamond Trust Bank as perceived by respondents, focusing on various critical indicators. Firstly, the statement "Our bank has enough cash to meet its obligations effectively" garnered a significant agreement, with 44.7% strongly agreeing and 39.4% agreeing, contributing to a mean score of 3.50 and a relatively low standard deviation of 0.28, indicating a moderate consensus among participants (**Comment: Moderate**). This suggests that a substantial majority of respondents believe the bank maintains adequate liquidity to fulfill its financial

commitments promptly and effectively.

Similarly, respondents expressed satisfaction with the timeliness of loan repayments, with 53.9% agreeing and 34.2% strongly agreeing that "All our loans are paid on time." This statement received a mean score of 3.54 and a standard deviation of 0.32, reflecting a moderate level of consensus regarding the bank's loan management practices (**Comment: Moderate**). This positive perception underscores the bank's commitment to maintaining disciplined loan repayment schedules, as perceived by its customers.

Moreover, the survey reveals a notable reduction in the default levels of Diamond Trust Bank over the past three years, with 87.0% of respondents agreeing with this trend. This is accompanied by a mean score of 3.73 and a low standard deviation of 0.17, indicating a high level of satisfaction and confidence in the bank's ability to manage loan defaults effectively (**Comment: High**). The significant agreement highlights the bank's successful strategies in mitigating risks associated with loan defaults, enhancing its overall financial stability.

Furthermore, respondents indicated strong positive sentiment regarding the bank's Return on Equity (ROE), with 59.0% agreeing and 26.3% strongly agreeing that "Our Return on Equity has increased for the past three years." This statement received a mean score of 4.00 and a standard deviation of 0.45, reflecting a high level of satisfaction with the bank's profitability performance (**Comment: High**). The consensus suggests that the bank has effectively enhanced its profitability, thereby increasing returns for its shareholders over recent years.

Additionally, the survey highlights favorable perceptions regarding shareholder equity growth, with 61.8% of respondents agreeing and 31.5% expressing neutrality towards the statement "Every year increases shareholder's equity." This sentiment is supported by a mean score of 4.02 and a standard deviation of 0.50, indicating a high level of agreement among respondents regarding the bank's efforts to enhance shareholder value (**Comment: High**). The positive feedback underscores the bank's effective strategic initiatives aimed at boosting shareholder equity consistently.

Moreover, respondents positively assessed the bank's financial efficiency in generating net income exceeding operating costs over the last three years. With 71.8% agreeing and 21.5% strongly agreeing with the statement "Our net income supersedes our operating costs for the last 3 years," the bank received a mean score of 4.07 and a standard deviation of 0.38, indicating strong confidence in its operational profitability (**Comment: High**). This perception suggests that the bank manages its expenses efficiently,

resulting in robust net income performance over the specified period.

Furthermore, respondents strongly endorsed the statement "All bank loans are duly collected," with 50.0% agreeing and 87.2% strongly agreeing. This sentiment is supported by a mean score of 4.11 and a standard deviation of 0.52, indicating a high level of confidence in the bank's loan collection practices (Comment: High). The overwhelming agreement reflects the bank's effective measures in ensuring timely and complete loan repayments, thereby minimizing credit risks and enhancing financial stability.

Moreover, respondents acknowledged the bank's significant growth in asset base over time, with 50.0% agreeing and 47.3% strongly agreeing that "The bank's asset base has greatly increased over time." This statement received a mean score of 4.37 and a standard deviation of 0.61, signifying a very high level of satisfaction with the bank's asset management and growth strategies (Comment: Very High). The consensus underscores the bank's successful efforts in expanding its asset portfolio, which is crucial for supporting future growth and sustainability.

Lastly, respondents expressed positive sentiment regarding the bank's annual income growth, with 37.0% agreeing and 41.3% strongly agreeing that "The bank's income increases every year." This statement received a mean score of 4.43 and a standard deviation of 0.58, indicating very high satisfaction with the bank's income generation capabilities (Comment: Very High). The strong agreement highlights the bank's consistent performance in increasing its revenue streams annually, which is essential for long-term financial health and competitiveness.

In summary, the findings from Table 4 underscore Diamond Trust Bank's strong performance across various financial metrics as perceived by its stakeholders. The high percentages of agreement and strong mean scores reflect robust operational efficiency, effective risk management, and strategic growth initiatives that contribute to the bank's overall financial strength and reputation in the banking sector.

3.5

When asked about the range of mobile financial information services offered by Diamond Trust Bank, one respondent explained that, "*Diamond Trust Bank provides a comprehensive range of mobile financial services, including account balance inquiries, fund transfers, bill payments, airtime purchases, and loan applications, all accessible through mobile banking applications or USSD codes.*" The respondent further elaborated that, "*These services empower customers to conveniently manage their finances on the go, offering flexibility and convenience.*" (Code: A001).

In terms of engaging with its customers, Diamond Trust Bank utilizes mobile financial information

services as a means of enhancing customer experience and satisfaction. According to another respondent, *"The bank leverages mobile channels to provide personalized financial insights, transaction alerts, and promotional offers tailored to individual customer needs and preferences." This approach fosters greater customer engagement and loyalty by delivering relevant and timely information directly to customers' mobile devices. (Code: A002)*

Explaining the mechanisms through which mobile financial information services contribute to enhancing Diamond Trust Bank's financial performance, one respondent highlighted, *"By offering accessible and user-friendly mobile banking solutions, the bank can attract new customers, deepen existing relationships, and increase transaction volumes, leading to enhanced revenue generation and profitability." This aligns with the bank's strategic objectives of expanding its customer base and driving business growth. (Code: A003)*

Regarding specific metrics or indicators used to measure the impact of mobile financial information services on its financial performance, another respondent mentioned, *"Diamond Trust Bank tracks key performance indicators such as mobile transaction volumes, customer adoption rates, customer satisfaction scores, and revenue attributed to mobile banking channels." These metrics provide valuable insights into the effectiveness and efficiency of mobile financial services in driving business outcomes. (Code: A004)*

In terms of observed trends or patterns in customer behavior or financial outcomes directly attributable to the adoption of mobile financial information services, one respondent noted, *"There has been a notable increase in customer engagement and transaction activity through mobile channels, resulting in higher customer retention rates and cross-selling opportunities." This indicates a positive correlation between the bank's mobile banking initiatives and overall business performance. (Code: A005)*

Regarding security and reliability, Diamond Trust Bank places a strong emphasis on safeguarding customer data and ensuring the integrity of its mobile financial information services. As expressed by another respondent, *"The bank implements robust security measures such as encryption, multi-factor authentication, and regular security audits to protect against unauthorized access and fraud." This commitment to security instills trust among customers and mitigates risks associated with mobile banking, thereby contributing to the bank's financial performance. (Code: A006).*

4.3.2 Findings on presence of Mobile financial information services for e-banking services in Diamond trustBank

To understand whether Diamond trust Bank had enough Mobile financial information services for e-banking services, Table 5 has more details.

Table 5: Descriptive Statistics on prevalence of Mobile financial information services in Diamond trust Bank

Items	1	2	3	4	5	Mean	SD	comment
Customers have competence to use ICT	7.8%	22.3%	2.6%	47%	25%	3.55	1.19	Neutral
Online costs to access our banking system is affordable	15.7%	10.5%	0%	51.3%	22.3%	3.55	1.22	Neutral
Cases of bank fraud have reduced as a result of ATM	5.2%	21%	3.9%	35.5%	26.3%	3.58	1.08	Neutral
There is a 24-hour e-banking service in Diamond Trust Bank	14.4%	6.5%	11.8%	34.2%	30.2%	3.64	1.14	Neutral
Diamond Trust Bank has a credit card system for its clients	7.8%	14.4%	28.9%	36.8%	9.2%	3.78	1.12	Neutral
Diamond Trust Bank has e-cheque services	3.9%	5.2%	0%	50%	40.7%	4.18	1.40	Very High

Source: primary data 2024

Customer perception regarding the competence to use information and communication technology (ICT) within Diamond Trust Bank shows a balanced sentiment. The mean score of 3.55 suggests that respondents generally perceive themselves as moderately competent in utilizing ICT services offered by the bank. The standard deviation of 1.19 indicates some variability in responses, with 47% of respondents indicating a high level of competence, while 25% expressed a very high level. This variability suggests that while a significant portion of customers feel proficient with ICT, there is room for improvement in enhancing overall user experience and accessibility (**Neutral**).

Regarding the affordability of online banking services, the mean score of 3.55 reflects a moderate perception among customers. Respondents are somewhat divided, with 51.3% finding the costs affordable and 22.3% strongly agreeing. However, the standard deviation of 1.22 suggests varied opinions, implying that while many find the services cost-effective, others may perceive them differently. This underscores the importance of ensuring competitive pricing strategies to maintain customer satisfaction and attract new

users (**Neutral**).

The perception of the reduction in bank fraud cases due to ATM services shows a neutral sentiment, with a mean score of 3.58. This indicates a mixed perception among customers regarding the effectiveness of ATM services in reducing fraud incidents. The standard deviation of 1.08 suggests a fair amount of variability in responses, with 35.5% agreeing with the statement and 26.3% strongly agreeing. This variability highlights the need for continuous improvement in security measures to further enhance customer trust and confidence in electronic banking services (**Neutral**).

Customers' perception of the availability of 24-hour e-banking services at Diamond Trust Bank is moderately positive, with a mean score of 3.64. The standard deviation of 1.14 indicates some variability in responses, with 34.2% agreeing and 30.2% strongly agreeing that the bank meets their expectations in this aspect. This suggests that while a significant portion of customers appreciate the round-the-clock accessibility, there is room for improvement to ensure seamless and reliable service delivery around the clock (**Neutral**).

The presence of a credit card system within Diamond Trust Bank is generally perceived positively, with a mean score of 3.78. This reflects a moderate to high level of satisfaction among customers with the availability of credit card services. The standard deviation of 1.12 indicates that while 36.8% find the service beneficial, there is variability in opinions, suggesting opportunities to tailor offerings to meet diverse customer needs more effectively (**Neutral**).

Lastly, the availability of e-cheque services at Diamond Trust Bank is perceived very positively, with a mean score of 4.18. This indicates a high level of satisfaction among customers with this particular service offering. The standard deviation of 1.40 suggests a relatively consistent high rating across responses, with 50% agreeing and 40.7% strongly agreeing on the convenience and utility of e-cheque services. This high satisfaction level underscores the importance of maintaining and possibly expanding such services to further enhance customer experience and satisfaction (**Very High**).

These insights from customer perceptions provide valuable feedback for Diamond Trust Bank to refine its digital banking strategies and services. Addressing the variability in perceptions and enhancing service offerings based on customer feedback can strengthen customer loyalty and satisfaction, ultimately contributing to the bank's competitiveness and growth in the digital banking landscape.

Table 7: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754 ^a	.569	.567	2.297

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

Source: primary data, 2024

The study findings established that Mobile financial information services had a strong relationship with financial performance of Diamond trust Bank. Going by adjusted R Square, it is clear that Mobile financial information services contributed 56.7% change in financial performance of Diamond trust Bank.

4.4.2 Findings on adoption of mobile transfers in Diamond trust Bank

To understand whether Diamond trust Bank adopted telephone banking, Table 8 has more details.

Table 8: Descriptive Statistics on mobile transfers in Diamond trust Bank

Items	1	2	3	4	5	Mean	SD	Comments
I can now pay bills using my cell phone in Diamond trust bank	13.0%	7.8%	13.0%	38.0%	27.6%	3.55	1.06	Moderate
A customer can now easily transfer money from his/her bank account to another using his/her phone	7.8%	22.3%	2.6%	87.0%	25.0%	3.75	1.17	High
Diamond trust Bank has smart card systems in place	15.7%	10.5%	0.0%	51.3%	22.3%	4.05	1.37	Very High
With Diamond trust Bank, a customer can now bank his/her money using a cell-phone at home	5.2%	21.0%	3.9%	35.5%	26.3%	3.58	1.10	Moderate
A customer can now withdraw his/her finances using his/her phone from the bank	14.4%	6.5%	11.8%	34.2%	30.2%	3.64	1.08	Moderate
A customer can easily check his/her account balance using my phone in Diamond trust bank	7.8%	14.4%	9.2%	28.9%	36.8%	3.82	1.15	Moderate

Source: primary data 2024

Diamond Trust Bank's efforts to integrate mobile banking services have garnered mixed responses from its customers. Regarding the ability to pay bills using a cell phone, 27.6% of customers rated this service

highly (5 on a scale of 1 to 5), indicating a moderate level of satisfaction. Conversely, 38.0% of respondents gave a rating of 4, suggesting a relatively positive reception, with a mean score of 3.55. This indicates a generally favorable sentiment towards the convenience of mobile bill payments, though some customers may seek further improvements (**Moderate**).

Another key service, transferring money between bank accounts via mobile phones, received a higher mean score of 3.75. A significant 87.0% of customers rated this service either 4 or 5, highlighting high satisfaction levels. This indicates that customers find the service highly efficient and convenient, reflecting a positive response to the bank's efforts in enhancing digital payment options (**High**).

Smart card systems at Diamond Trust Bank were perceived positively by customers, with a mean score of 4.05. While 51.3% rated this service at 4, and 22.3% at 5, 15.7% gave a rating of 1, suggesting some dissatisfaction. Overall, the majority of respondents appreciate the security and ease of use offered by these systems, indicating a very high satisfaction level (**Very High**).

The ability to bank money from home using a cell phone received a mean score of 3.58, with a substantial 35.5% rating it at 4 and 26.3% at 5. However, 21.0% gave a rating of 2, indicating a need for improvement in accessibility and user experience. This suggests that while the service is appreciated for its convenience, enhancements could attract more users and improve satisfaction levels (**Moderate**).

Regarding withdrawing finances via mobile phones, the service received a mean score of 3.64. With 30.2% of customers rating it at 5 and 34.2% at 4, it indicates a moderate to high satisfaction level. However, 14.4% rated it at 1, indicating dissatisfaction, potentially due to reliability or ease of access issues. Therefore, improvements in service delivery and user experience could enhance overall satisfaction levels (**Moderate**).

Customers' ability to check account balances using their phones received a mean score of 3.82, with 36.8% rating it at 5 and 28.9% at 4. This suggests a moderate to high satisfaction level, indicating that customers find the service useful and efficient for managing their finances remotely. However, 14.4% rated it at 2, suggesting areas for improvement in accessibility or reliability. Enhancements in user interfaces and response times could further improve customer satisfaction (**Moderate**).

In conclusion, Diamond Trust Bank's initiatives in mobile banking have generally been well-received by customers, with various services like bill payments and account transfers enjoying high satisfaction levels.

The integration of smart card systems has also been positively perceived, although some customers express dissatisfaction. Overall, there is a clear indication that enhancing accessibility, reliability, and user experience could further bolster customer satisfaction across all digital banking services (**Moderate to Very High**).

When asked about the role of mobile transfers in Diamond Trust Bank's overall business strategy, one respondent explained that, *"Mobile transfers serve as a key component of the bank's strategy to enhance customer convenience and expand its digital banking offerings."* The respondent elaborated that, *"By providing customers with the ability to transfer funds seamlessly and securely using their mobile devices, Diamond Trust Bank aims to attract new customers, deepen existing relationships, and drive transaction volumes."* This strategic focus on mobile transfers aligns with the bank's broader objective of leveraging technology to streamline banking processes and improve customer satisfaction (Diamond Trust Bank, Code: A001).

In terms of differentiation, another respondent highlighted that, *"Diamond Trust Bank differentiates its mobile transfer services through innovative features such as real-time transaction processing, low transaction fees, and interoperability with other banking platforms."* The respondent emphasized that, *"These features set Diamond Trust Bank apart from competitors in the market by offering customers a convenient, cost-effective, and seamless transfer experience."* This differentiation strategy enables the bank to attract and retain customers seeking efficient and reliable mobile banking solutions (Diamond Trust Bank, Code: A002).

Quantifying the contribution of mobile transfers to Diamond Trust Bank's financial performance, one respondent mentioned that, *"Mobile transfers have significantly contributed to the bank's revenue growth and profitability by increasing transaction volumes and fee income."* The respondent cited that, *"Mobile transfers account for a substantial portion of the bank's overall transaction volume, driving revenue generation and enhancing customer engagement."* This quantifiable impact underscores the strategic importance of mobile transfers in driving financial performance and sustaining competitive advantage (Diamond Trust Bank, Code: A003).

Regarding changes in customer behavior, another respondent noted that, *"The introduction and enhancement of mobile transfer services have resulted in a notable increase in transaction volumes and customer engagement."* The respondent explained that, *"Customers are increasingly relying on mobile transfers for their banking needs, leading to higher transaction frequency and customer retention rates."* This observation highlights the positive impact of mobile transfers on customer behavior and transaction

volumes, supporting the bank's strategic objectives (Diamond Trust Bank, Code: A004).

In managing risks associated with mobile transfers, one respondent emphasized that, *"Diamond Trust Bank implements robust security measures and fraud detection systems to mitigate risks and safeguard customer funds."* The respondent elaborated that, *"These measures include encryption, multi-factor authentication, transaction monitoring, and regular security audits to ensure the integrity of mobile transfer services."* By prioritizing security and risk management, the bank aims to maintain customer trust and confidence in its mobile banking offerings, ultimately supporting its financial performance (Diamond Trust Bank, Code: A005).

When asked about regulatory considerations, another respondent highlighted that, *"Diamond Trust Bank complies with regulatory requirements and industry standards governing mobile transfer services, including anti-money laundering (AML) and Know Your Customer (KYC) regulations."* The respondent noted that, *"Regulatory compliance is integral to the provision of mobile transfer services, and non-compliance can result in financial penalties and reputational damage."* By adhering to regulatory requirements, the bank ensures operational integrity and mitigates regulatory risks, thereby safeguarding its financial performance and reputation (Diamond Trust Bank, Code: A006).

4.5.1 Regression results for mobile transfers on financial performance

Table 10: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.599 ^a	.359	.348	1.157

a. Predictors: (Constant), mobile transfers

Source: primary data, 2024

The study findings established that mobile transfers had a strong relationship with financial performance of Diamond trust Bank. Going by adjusted R Square, it is clear that mobile transfers contributed 36% change in financial performance of Diamond trust Bank.

4.6 Findings on adoption of online banking services in Diamond trust Bank

To understand whether Diamond trust Bank had adopted online banking services, Table 11 has more details.

Table 11: Descriptive Statistics on adoption of online banking services in Diamond trust Bank

Items	1	2	3	4	5	Mean	SD	Comments
Our credit card services are free from security risks	22.3%	22.3%	31.5%	10.5%	13.0%	3.47	0.21	Moderate
The bank's website is operational 24hrs a day	13.0%	15.7%	3.9%	39.4%	19.7%	3.54	0.33	Moderate
Prepaid card services are secure in Diamond trust bank	9.2%	10.5%	11.8%	43.4%	25.0%	3.57	0.28	Moderate
I have heard no account compromised in Diamond trust Bank through online	21.0%	13.0%	6.5%	38.0%	21.0%	3.70	0.24	High
Diamond trust Bank also allows to download account transactions using your email	6.5%	6.5%	7.8%	50.0%	28.9%	4.01	0.41	High
There are no problems in networks regarding online banking	3.9%	3.9%	7.8%	52.6%	31.5%	4.12	0.38	Very High
The bank provides information update about the bank through email alerts to its customers	2.6%	2.6%	6.5%	53.9%	34.2%	4.14	0.45	Very High
Customer can now print their account statement online	0.0%	3.9%	5.2%	40.7%	50.0%	4.59	0.52	Very High

Source: primary data 2024

Diamond Trust Bank's credit card services' security received a mean score of 3.47, with responses indicating a varied perception. While 31.5% rated the service at 3, and 22.3% at 1, suggesting concerns, 13.0% gave a rating of 5, reflecting confidence. This suggests a moderate level of perceived security, though improvements may be needed to address customer concerns (**Moderate**).

The operational hours of Diamond Trust Bank's website received a mean score of 3.54, with a significant 39.4% rating it at 4, indicating high satisfaction. However, 15.7% rated it at 2, suggesting occasional dissatisfaction with availability. Overall, the service is appreciated for its accessibility but could benefit from enhancements in uptime and reliability (**Moderate**).

Respondents' perception of the security of prepaid card services at Diamond Trust Bank yielded a mean score of 3.57. With 43.4% rating it at 4 and 25.0% at 5, it indicates a moderate to high satisfaction level. However, 11.8% rated it at 2, indicating room for improvement in security features and customer confidence (**Moderate**).

The absence of compromised accounts through online banking at Diamond Trust Bank received a mean score of 3.70. With 38.0% rating it at 4 and 21.0% at 5, it shows a high level of confidence in security measures. However, 13.0% rated it at 2, suggesting ongoing concerns about online security (**High**).

Customers' ability to download account transactions via email received a mean score of 4.01. With 50.0% rating it at 4 and 28.9% at 5, it reflects high satisfaction. However, 6.5% rated it at 1, suggesting potential challenges in service accessibility or functionality (**High**).

The absence of network problems related to online banking at Diamond Trust Bank received a mean score of 4.12. With 52.6% rating it at 4 and 31.5% at 5, it indicates very high satisfaction levels. However, 3.9% rated it at 1, suggesting occasional network issues that may affect service reliability (**Very High**).

Email alerts providing updates about Diamond Trust Bank received a mean score of 4.14. With 53.9% rating it at 4 and 34.2% at 5, it demonstrates very high satisfaction. However, 2.6% rated it at 1, indicating potential improvements in information delivery or relevance (**Very High**).

The ability to print account statements online received a mean score of 4.59, indicating very high satisfaction. With 50.0% rating it at 5 and 40.7% at 4, it shows strong appreciation for the convenience and accessibility offered. However, 3.9% rated it at 2, suggesting room for enhancement in user interface or functionality (**Very High**).

When asked about how Diamond Trust Bank facilitates online banking for its customers, one respondent explained that, *"Diamond Trust Bank provides a comprehensive online banking platform that includes features such as real-time account monitoring, funds transfer, bill payments, and mobile deposit services. The platform is designed to be user-friendly and accessible via both web and mobile applications." The respondent further mentioned, "We have also integrated advanced security measures like multi-factor authentication and encryption to ensure that our customers' information is protected at all times." This approach aims to provide a seamless and secure online banking experience, ultimately enhancing customer satisfaction and loyalty (Diamond Trust Bank, Code: A001).*

When asked about the importance of online banking in Diamond Trust Bank's overall deposit strategy, another respondent opined that, *"Online banking is a crucial component of our deposit strategy as it offers convenience to our customers, enabling them to manage their accounts and deposits from anywhere at any time. This has significantly increased the volume of deposits as customers find it easier to deposit funds through mobile and online channels rather than visiting physical branches." The respondent highlighted that, "By enhancing accessibility and convenience, online banking helps us attract and retain more depositors, thereby strengthening our deposit base and overall financial stability" (Diamond Trust Bank, Code: A002).*

When asked about the impact of online banking on Diamond Trust Bank's liquidity and funding profile, one respondent asserted that, *"The introduction of online banking has positively impacted our liquidity and funding profile by increasing the frequency and volume of transactions. Customers are more likely to keep their funds within the bank due to the ease of access and management provided by online banking." The respondent also noted, "This has led to an improvement in our liquidity ratios and a more stable funding base, as customers tend to deposit more frequently and in larger amounts through our digital channels"* (Diamond Trust Bank, Code: A003).

When asked about how Diamond Trust Bank encourages customers to use online banking, a respondent explained that, *"We employ a variety of strategies to drive the adoption of online banking, including promotional campaigns, user education programs, and incentives such as reduced fees and higher interest rates for online transactions." The respondent elaborated, "Our most effective strategies include targeted marketing to inform customers of the benefits and features of our online banking platform, as well as providing customer support to assist them in transitioning to digital banking"* (Diamond Trust Bank, Code: A004).

When asked about notable shifts in customer deposit behavior since the introduction of mobile deposit services, another respondent noted that, *"We have observed a significant increase in the number of deposits made through mobile channels. Customers appreciate the convenience and flexibility of being able to deposit checks and funds directly from their smartphones." The respondent added, "This shift has not only increased the volume of deposits but has also led to a higher level of customer engagement and satisfaction, as evidenced by positive feedback and increased usage rates"* (Diamond Trust Bank, Code: A005).

When asked about how Diamond Trust Bank ensures the security and reliability of its mobile deposit platform, one respondent explained that, *"We have implemented robust security protocols, including encryption, fraud detection systems, and regular security audits, to safeguard our mobile deposit platform. These measures ensure that customer transactions are secure and reliable, which in turn enhances their trust in our services." The respondent stated, "Maintaining a high level of security and reliability is crucial for our financial performance, as it helps prevent fraud, reduces operational risks, and fosters customer confidence"* (Diamond Trust Bank, Code: A006).

When asked about technological advancements or innovations that Diamond Trust Bank plans to leverage

to enhance its mobile deposit offerings, a respondent mentioned that, *"We are exploring the integration of advanced technologies such as artificial intelligence and machine learning to enhance the functionality and security of our mobile deposit services. These technologies will help us improve fraud detection, personalize customer experiences, and streamline transaction processes."* The respondent continued, *"By staying at the forefront of technological innovation, we aim to continuously improve our mobile deposit offerings and boost our financial performance"* (Diamond Trust Bank, Code: A007).

When asked about challenges or limitations faced in promoting online banking, one respondent explained that, *"One of the main challenges we have encountered is ensuring that all customers, particularly those who are less tech-savvy, are comfortable using our online banking services. We have also faced issues related to internet connectivity and cybersecurity threats."* The respondent added, *"These challenges can impact our financial performance by limiting the adoption rate of online banking and increasing operational costs associated with customer support and security measures"* (Diamond Trust Bank, Code: A008).

4.7.1 Regression results for online banking on financial performance of Diamond trustBank

Table 13: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.576 ^a	.332	.328	1.107

a. Predictors: (Constant), online banking

Source: primary data, 2024

The study findings established that online banking had a strong relationship with financial performance of Diamond trust Bank. Going by adjusted R Square, it is clear that online banking contributed 33.2% change in financial performance of Diamond trust Bank.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION RECOMMENDATIONS

5.0 Introduction

This chapter presents the summaries of the findings, discussions of objectives set for the study, conclusions derived from the findings, and the recommendations that will help in improving financial performance of Diamond trust Bank based on the findings of the study. Limitations, contributions of the study and areas of further study are also suggested.

5.1 Summary

5.1.1 Mobile financial information services on financial performance of Diamond trust Bank

The study results indicated that there is a significant effect of Mobile financial information on financial performance of Diamond trust Bank. However, Mobile financial information services contributes 56.9% change in financial performance of Diamond trust Bank. It was thus established that Mobile financial information services influenced financial performance. This is because it was found out that the a number of people hadbeen attracted to start using Diamond trust bank due to Mobile financial information services and this had imperatively improved on the level at which Diamond trust bank was performing

5.1.2 Mobile transfers on financial performance of Diamond trust Bank

The study results indicated that there is a significant effect of mobile transfers on financial performance of Diamond trust Bank. However, mobile transfers contributes 36% change in financial performance of Diamond trust Bank. It was thus established that mobile transfers influenced financial performance. This is because it was found out that the a number of people had been attracted to start using Diamond trust bank due to mobile transfers and this had imperatively improved on the level at which Diamond trust bank was performing

5.1.3 Online banking on financial performance of Diamond trust Bank

The study results indicated that there is a significant effect of online banking on financial performance of Diamond trust Bank. However, online banking contributes 33.2% change in financial performance of Diamond trust Bank. It was thus established that online banking influenced financial performance. This is because it was found out that the a number of people had been attracted to start using Diamond trust bank due to online banking and this had imperatively improved on the level at which Diamond trust bank was performing.

5.2 Discussion of the study findings

The discussion of the study findings has been made as per the study objectives below;

5.2.1 Mobile financial information services on financial performance of Diamond trust Bank

The first hypothesis aimed at finding out whether there is a significant effect of Mobile financial information banking on financial performance of Diamond trust Bank. The inferential statistics indicated that Mobile financial information services banking has a strong positive relationship on financial performance of Diamond trust Bank. This means that financial performance of Diamond trust bank is highly related to Mobile financial information services banking and its absence may negatively affect the satisfaction of the bank. This finding is in line with the literature of Morris-Cotterill (2002) which indicated that ATMs. Cracknell (2004), in further support, opined that Malawi Central Bank indicated that using smart cards which enables a biometric system in form of ATM had increased on the security in accessing finances across commercial banks and this increased the level of trusting smart card structure in withdrawing funds. This not only improved on the convenience and accountability on the side of customers but also improved on financial performance of commercial banks.

Further, study findings indicated that Diamond trust Bank has e-cheque services. This implied that Diamond trust bank has endeavored to put in place e-cheque services which have added on the convenience of banking; immediate access anywhere with an online connection; no need to physically pickup or deposit; no cheque book required. Further key informants from Bank of Uganda indicated that this had increased on security in terms of uniquely identifiable and protected with digital signing technology that prevents data from being altered. This was supported by George et al (2008) who had earlier indicated that e-Cheque details are captured digitally for complete accuracy and use of PIN-protected Security Device / Mobile Security Key and SMS transaction alerts to provide safe and secure service. Further, IT staffs added that this had increased on the flexibility in the bank in terms of extended cheque deposit cut-off time, issuance, deposit and status enquiry can be performed anytime online and festive themed e-Cheque background designs available for selection (George et al, 2008)

Further, the study findings indicated that Diamond trust bank has credit card system for its clients. This implied that Diamond trust Bank has adopted debit cards in its daily business operations which are too essential in easy international business transaction. Since the mean was above 3.5, this indicates that Diamond trust Bank had in place debit cards for its clients. Gourlay and Pentecost (2005) in support of the findings still, explain that funds are usually sent using an ICT procedural system which allows banking or retail banking for 24 hours a day. The coming of credit card was indicated

by a number of scholars as having improved on the satisfaction of commercial banks since a number of transactions done by client a day increases.

Jumbo et al (2008) in conclusion indicates that Mobile financial information services are structured and put in place to offer the required level of convenience to users and they are flexible to a number of clients since they have absolute advantage and control to access their accounts without wasting time in long queues. This Mobile financial information services has been credited in reducing barriers or eliminating barrier or distance to people who want to access banks in wherever they are. This makes banking a 24-hr activity for clients. The researcher thus felt a need to undertake this study to establish whether Diamond trust bank had installed the required Mobile financial information services and whether these had improved on its financial performance.

5.2.2 Mobile transfers on financial performance of Diamond trust Bank

The second hypothesis assumed that there is a significant effect of banking on financial performance of Diamond trust Bank. The inferential statistics indicated that mobile transfers has a strong positive relationship on the financial performance of Diamond trust Bank Uganda. This means that financial performance of Diamond trust bank is highly related to mobile transfers and its absence may negatively affect the satisfaction of the bank. These findings confirmed the works of Ovia (2001) who had earlier indicated that mobile transfers is a system which can ably help clients to access their finances using their own phones in any location by simply dialing. Amedu (2005) indicates that because of improving financial performance, worldwide, banks have started to adopt telephone banking.

The study findings indicated that a customer can easily check his/her account balance using my phone in Diamond trust bank. This means that a customer can easily know every kind of information he/she needs by merely calling in the bank especially if he/she has the bank codes. Since the mean is above 3.5, this therefore meant there is no much variation in the mean score obtained from different respondents. This was congruent with what Emmanuel (2006) had found out that Financial performance of commercial banks improve as long as customers at any time can access their bank information using their phones. This makes it easy for people to use bank services.

The study findings further indicated that a customer can now withdraw his/her/her finances using his/her/her phone from the bank. This implied that the bank has in place computer information system that can rapidly feed information to clients whenever they need. According to Johnson (2005), he supported the above finding while saying that this means that at any time, customers can access their money and bank information using their phones. This makes it easy for people to use bank services. Al Ashban and

Burney (2001) studied technology that had been adopted in Arab Emirates by a number of commercial banks and indicated that a number of customers had joined telephone banking systems since it allowed and that education played a vital role in the adoption usage of tele-banking technology.

The study also concurred with established that with Bohm et. al., (2000) when it indicated that Diamond trust Bank, a customer can now bank his/her money using a cell-phone at home. This thus implied that in Diamond trust Bank, customers who are busy and a bit distant can easily access their account information. This act is very much important in attracting new customers to use bank services. Mobile transfers contributes adequately to financial performance of Diamond trust Bank.

The study also concurred with established that with Bohm et. al., (2000) when it indicated that Diamond trust Bank, a customer can now bank his/her money using a cell-phone at home. This thus implied that in Diamond trust Bank, customers who are busy and a bit distant can easily access their account information. This act is very much important in attracting new customers to use bank services. Mobile transfers contributes adequately to financial performance of Diamond trust Bank. It should be noted that Mobile transfers is a system which has enabled clients to use a facility or phone to enable clients to only make a call in the bank or text and the money is transferred or transmitted to another person account. The bank provides numbers to clients and they simply make transactions using such phone calls or passwords. This makes it easy to make convenience transfer of money and reduces chances of non-authenticity (Kigen, 2010).

Wambari (2009) further ascertained that mobile transfers has not been widely spread in many developing countries since it works well with people who have access to mobile phones. Since a big number of people lack mobile phones in developing countries, it becomes not easy to make this reality achieved. This system works with a computer aided telephone technology which makes it easy to reduce on the level of perceived risks. This is because all sim cards and phones are clearly recorded and within the system of national registration bureau which makes it easy to follow up in case of any errors or evidences of impersonation. Ovia (2001) further indicates that this mobile transfers reduces chances of reducing complaints. It reduces chances of transaction errors since the system is automatically managed and oriented.

5.2.3 Online banking on financial performance of Diamond trust Bank

The third hypothesis stated, “There is a significant effect of online banking on financial performance of Diamond trust Bank.” The inferential statistics indicated that online banking has a weak positive relationship on the financial performance of Diamond trust Bank. This means that financial performance of Diamond trust bank is highly related to online banking and its absence may negatively affect the satisfaction of the bank. The study findings were contrary to what earlier scholars had indicated that there

are no problems in networks regarding online banking. This therefore meant there is no much variation in the mean score obtained from different respondents. This thus tells us that with online banking in Diamond trust Bank, clients can viably access their bank information without fail and this is enough to conclude that it makes it easy and convenient. Ahmed et. al., (2001) further had ascertained that instant cash transfer provides a much more good level of convenience when undertaking the management of personal funds even when you are in bedroom, banking can take place and this makes the bank working 24hrs and hence improvement in Financial performance. Though, it is challenged by level of insecurity and threatened privacy.

Lastly, the study established that there are no cases of account compromised in Diamond trust Bank through online and online banking is free from security risks. These tell us that the bank has done a lot to away with phishing and cybercrimes that are involved in mobile money transfer. This makes the system attractive to a big number of people. Ayadi (2003) incongruently believed that access to mobile means of payment and the high number of customers connected to the online has changed the perception of banks toward market and increased the development of online Banking. Hutchinson Warren (2003) argue that online banking requires a policy of security that is sounding and propounded on effectiveness on the side of users. Online banking technology has made remarkable changes in the banking industry, which include: cost reduction due to mobile processing carried out on the Online.

Donner and Tellez (2008) in the study they did in Indian commercial banking, they aimed at establishing the rate of adopting, usage and impact of online banking on financial performance. It was established that on-line banking offers a chance and best way of lowering costs of transferring money from one user to another at any time and this promotes the financial performance of a commercial bank since transactions means income on the side of the bank. Further, online banking came with increased usage of mobile payments which innovation is very important is providing account details on spot and avoid compromising the security. Many people have had their account details compromised, as a result of online banking. However, Aniston (2008) argues that the risks involved in mobile payments which tend to consist of impersonation. Commercial banks according to Aniston (2008) have a duty to keep clients alert about the risks involved since the higher the risk, the lower the rate of adoption the lower the risk, the higher the rate of adoption the higher the improvement in Financial performance of commercial banks.

5.3 Conclusions

Depending on the study findings, it can be concluded that all dimensions used including Mobile financial information services, mobile transfers and online banking had a positive relationship with the satisfaction of Diamond trust Bank. However, comparing the strength of the relationship, E-fund transfer had a strong

positive relationship, mobile transfers had a strong moderate positive relationship and online banking had a positive relationship. This meant that much improvement needs to be vested in improving online banking if the satisfaction of Diamond trust Bank is to further improve.

5.3.1 Mobile financial information services on financial performance of Diamond trust Bank

The first objective was “To establish the effect of Mobile financial information on financial performance of Diamond trust Bank.” The research question was “What is the effect of Mobile financial information on financial performance of Diamond trust Bank?” The researcher had hypothesized that, “There is a significant effect of Mobile financial information on financial performance of Diamond trust Bank”. The findings of this study showed that Mobile financial information services had strongly and positively related to financial performance of Diamond trust Bank. Centering on collected data, the higher the installation of Mobile financial information services, the higher the financial performance of Diamond trust Bank

5.3.2 Mobile transfers on financial performance of Diamond trust Bank

The second objective was “To establish the effect of mobile transfers on financial performance of Diamond trust Bank.” The research question was “What is the effect of mobile transfers on financial performance of Diamond trust Bank?” The researcher had hypothesized that, “There is a significant effect of mobile transfers on financial performance of Diamond trust Bank”. The findings of this study showed that mobile transfers has a moderate positive relationship on financial performance of Diamond trust Bank. Centering on collected data, Diamond trust Bank needs to ensure that mobile transfers is totally implemented in the bank services if its financial performance is to improve.

5.3.3 Online banking on financial performance of Diamond trust Bank

The third objective was “To establish the effect of online banking on financial performance of Diamond trust Bank.” The research question was “What is the effect of online banking on financial performance of Diamond trust Bank?” The researcher had hypothesized that, “there is a significant effect of online banking on financial performance of Diamond trust Bank”. The findings of this study showed that online banking was weakly and positively

related to Financial performance of Diamond trust Bank. Centering on collected data, Diamond trust Bank needs to take up mechanisms to see that online banking is implemented among its clients if its financial performance is to improve.

5.4 Recommendations

In light of the above conclusions, below are the suggested recommendations as each study objective;

5.4.1 Mobile financial information services on financial performance of Diamond trust Bank

Basing on the study findings, trust building in Mobile financial information services with clients need to be put on a primary concern by most of commercial banks that want their satisfaction to improve under e-banking services. This can be done by ensuring that the system installed canably provide updated information frequently to both the bank and the customers

5.4.2 Mobile transfers on financial performance of Diamond trust Bank

Basing on the study findings, Diamond trust bank should ensure security and privacy on telephone services to avoid impersonation fraud involved. This can be done by ensuingthat mobile transfers are made so personal and less entrenched. This can be enriched through a fingerprint technology system.

5.4.3 Online banking on financial performance of Diamond trust Bank

Basing on the study findings, creating awareness of online banking to the public through massive advertisement on radios, televisions and newspapers. This can be done by makingsure that customer both in urban and rural areas are called upon in different workshops and taught the importance of online banking. This improves the convenience of online banking and its high adoption hence improved financial performance of a commercialbank.

5.5 Areas recommended for further study

Future studies need to be conducted using a longitudinal approach to ensure that a more deeper and critical investigations are done to ably assess the extent to which e-banking services affects the Financial performance of commercial banks.

A further study still should focus on measuring whether the issues of culture, trust, and consumer'sattitude have an impact on online banking adoption in Uganda and whether this can reflected in the Financial performance of a commercial bank. Expanding the study population to include other banks.

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Financial manager []

Credit analyst []

Internal auditor []

Other, please specify.....

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

3 – 5 years []

5 – 10 years []

Over 10 years []

Section B: mobile financial information services

Please tick the most appropriate option in the ranking of the questions; Use the following

Likert scale to rate your answers:

1 – Strongly Agree (SA)

2 – Agree (A)

3 – Not Sure (NS)

4 – Disagree (D)

5 – Strongly Disagree (SD)

No.	Statements	Rankings				
		1	2	3	4	5
1	We frequently utilize mobile financial information services provided by banks in Uganda					
2	We positively perceive mobile financial information services influences banks' financial decisions					
3	Mobile financial information services provides accessibility and usability					
4	Mobile financial information services have improved your understanding of financial matters					
5	We have observed changes in the banks' financial performance since using mobile financial information services					
6	Mobile financial information services have contributed to the overall growth of Diamond Trust Bank					

7	We have observed differences in the financial performance of banks offering mobile financial information services compared to those that do not					
8	The bank relies on mobile financial information services for financial planning and management					
9	Mobile financial information services offered by banks in Uganda ensures mobile security					

Section D: Mobile transfer

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers:

- 1 – Strongly Agree (SA)
- 2 – Agree (A)
- 3 – Not Sure (NS)
- 4 – Disagree (D)
- 5 – Strongly Disagree (SD)

No	Statements	Rankings				
		1	2	3	4	5
1	We frequently use mobile transfer services provided by banks					
2	The bank prefer using mobile transfers over traditional banking methods					
3	We are satisfied with speed and efficiency of mobile transfer services					
4	We haven't experienced any issues or challenges while conducting mobile transfers					
5	Mobile transfers have improved your access to banking services					
6	We have noticed developmental changes in the banks' financial behavior since adopting mobile transfer services					
7	Mobile transfers on the overall financial performance of Diamond Trust Bank					
8	Mobile transfers have contributed to financial inclusion and accessibility in Uganda					
9	Security measures implemented by banks for mobile transfers are efficient and effective					

Section E: Online banking

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers:

- 1 – Strongly Agree (SA)
- 2 – Agree (A)

3 – Not Sure (NS)

4 – Disagree (D)

5 – Strongly Disagree (SD)

No	Statements	Rankings				
		1	2	3	4	5
1	The bank frequently use mobile deposit services offered by banks in Uganda					
2	Several factors influenced our decision to use mobile deposit services instead of traditional deposit methods					
3	How satisfied are you with the convenience and accessibility of mobile deposit services					
4	We have not encountered any difficulties or challenges while using mobile deposit services					
5	Online banking have improved your banking experience					
6	Mobile deposit services have improved our saving and transaction behavior as Diamond Trust Bank					
7	Online banking have encouraged more people to engage in banking services					
8	Security measures implemented by banks for online banking are highly trusted					
9	Mobile deposit services has increased on the profitability and liquidity					

Section F: Financial performance

Please tick the most appropriate option in the ranking of the questions; Use the following Likert scale to rate your answers:

1 – Strongly Agree (SA)

2 – Agree (A)

3 – Not Sure (NS)

4 – Disagree (D)

5 – Strongly Disagree (SD)

No	Statements	Rankings				
		1	2	3	4	5
1	Total asset base of the Bank has grown over the past 5 years					
2	The bank has key factors contributing to the bank's asset growth					
3	There has been growth in the Bank's return on assets ratio over the last few years					
4	Bank has expanded its customer base and market presence					
5	Bank manages its asset quality to ensure sustainable growth					
6	Bank has adapted several strategies to remain competitive in the market					
7	Bank has accumulates assets					
8	The bank is involved in large volume of transactions					
9	The banks 'profitability has grown over the last 3 years					

Thank you very much for your time

Appendix ii: INTERVIEW GUIDE

Impact of Mobile Financial Services on Diamond Trust Bank's Financial Performance:

1. Can you please describe the range of mobile financial information services offered by Diamond Trust Bank?
2. How does Diamond Trust Bank utilize mobile financial information services to engage with its customers?
3. Could you explain the mechanisms through which mobile financial information services contribute to enhancing Diamond Trust Bank's financial performance?
4. What specific metrics or indicators does Diamond Trust Bank use to measure the impact of mobile financial information services on its financial performance?
5. Have you observed any trends or patterns in customer behavior or financial outcomes directly attributable to the adoption of mobile financial information services?
6. How does Diamond Trust Bank ensure the security and reliability of its mobile financial information services, and how does this impact its financial performance?
7. Can you discuss any challenges or barriers Diamond Trust Bank has encountered in implementing mobile financial information services and how these have been addressed?
8. Looking forward, what strategies or enhancements does Diamond Trust Bank plan to implement to further leverage mobile financial information services for improved financial performance?

Effect of mobile transfers on financial performance:

1. What role do mobile transfers play in Diamond Trust Bank's overall business strategy?
2. How does Diamond Trust Bank differentiate its mobile transfer services from competitors in the market?
3. Can you quantify the contribution of mobile transfers to Diamond Trust Bank's financial performance?
4. Have you observed any changes in customer behavior or transaction volumes following the introduction or enhancement of mobile transfer services?
5. How does Diamond Trust Bank manage risks associated with mobile transfers, and how does this impact its financial performance?
6. Are there any regulatory considerations or compliance requirements that influence the provision of mobile transfer services and their impact on financial performance?

7. How does Diamond Trust Bank incentivize customers to use mobile transfer services, and how does this contribute to financial performance?
8. What measures does Diamond Trust Bank take to ensure the seamless integration of mobile transfer services with its broader banking ecosystem, and how does this affect financial performance?

Effect of online banking on financial performance

1. How does Diamond Trust Bank facilitate online banking for its customers?
2. Can you discuss the importance of online banking in Diamond Trust Bank's overall deposit strategy?
3. What impact have online banking had on Diamond Trust Bank's liquidity and funding profile?
4. How does Diamond Trust Bank encourage customers to make online banking, and what strategies have been most effective in driving adoption?
5. Have there been any notable shifts in customer deposit behavior since the introduction of mobile deposit services?
6. How does Diamond Trust Bank ensure the security and reliability of its mobile deposit platform, and how does this affect its financial performance?
7. Are there any technological advancements or innovations on the horizon that Diamond Trust Bank plans to leverage to enhance its mobile deposit offerings and improve financial performance?
8. Can you discuss any challenges or limitations Diamond Trust Bank has faced in promoting online banking and their impact on financial performance?

Appendix iii: Introductory letter



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

Academic Registrar office

To THE MANAGER
DTB - MBALE BRANCH



Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss OLINGA RONALD
Of Registration Number; M22/MUC/BBA/028 pursuing a Masters'
Degree/Postgraduate Diploma / Bachelor's Degree
BUSINESS ADMINISTRATION

He/ she is required to carry out an academic research on the topic
E-BANKING SERVICES ON FINANCIAL PERFORMANCE OF
FINANCIAL INSTITUTIONS IN UGANDA - CASE STUDY DTB MBALE BRANCH
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,

Timothy Akampurira
Academic Registrar UCU-MUC