

**MOBILE BANKING AND PERFORMANCE OF FINANCIAL INSTITUTION IN  
UGANDA CASE OF HOUSING FINANCE BANK ARUA BRANCH**

**BY  
ATIKU RONALD  
1163-05014-05573**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND  
MANAGEMENT IN PARTIAL FULFILLMENT OF THE AWARD OF  
BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION OF  
KAMPALA INTERNATIONAL UNIVERSITY.**

**AUGUST/ 2019**

## DECLARATION

I, ATIKU RONALD, hereby declare that the work presented in this report is original and has never been submitted in this or any other university or institution of higher learning unless otherwise stated.

Signed:  ..... Date: 07/08/2019 .....

SIGN  .....

ATIKU RONALD

1163-05014-05573

STUDENT

## APPROVAL

This research report is prepared under the guidance of my supervisor and is now ready for presentation to the College of Economics and management.

Signature.....

Date.....07/08/19.....

MR. MASEMBE MUZAMIL.

SUPERVISOR

## **DEDICATION**

I dedicate this research report to God Almighty, my friends, my supervisor, colleagues, my family and everyone who has worked tirelessly to ensure that I complete my research.

## **ACKNOWLEDGEMENT**

I warmly appreciate the recognition, hospitality, dedication, commitment and maximum cooperation shown by both administrative and working staff in Housing finance Bank through which I successfully accomplished this Research.

I am ecstatically grateful to the Finance manager and Chief Accounting Officer CAO and my on-site supervisor in Housing finance Bank, and his entire team of Quality Control and Quality Assurance for the tireless commitment, dedication and hard work in guiding me and sharing their knowledge with me right from the day of orientation to the day this Research was written.

I further more acknowledge the Human Resource Manager in Housing finance Bank, for his trust and confidence imparted in me to associate with his staff of both administrative and working staff.

I still recognize the commitment and dedication shown by my university Research supervisor Mr.Masembe Muzamil, and the entire staff at the college of economics and management for the knowledge given to me for skillful approaches to the field study.

Lastly, a special acknowledgment goes to my dearest father Mr. Alidria Joseph who has done great in my life, not forgetting my mother Miss Munduru Beatrice for the love and care given to me during this period Plus the Family of Lobe Paul ,More so my brothers and sisters.

## ACRONYMS

M-banking -Mobile Banking

BOU- Bank of Uganda

MTN – Mobile Telephone Network

Stan chart Uganda- Standard Chartered Bank (Uganda) Limited

E-banking -Electronic Banking

M-transactions- Mobile Transactions

ICT -Information Communication Technology

PDA - Personal Digital Assistant

ATM -Automatic Teller Machine or Automated Teller Machine

E-commerce -Electronic Commerce

E-funds transfer -Electronic Funds Transfer

SMS - Short Message Services

CAMELS (Capital adequacy, Asset quality, Management, Earning, Liquidity and Sensitivity analysis)

US\$- United States of America Dollar

UGX – Ugandan Shilling

NWSC-National Water and Sewage Corporation

CEO- Chief Executive Officer

## TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT .....	iv
ACRONYMS.....	v
LIST OF TABLES.....	xi
LIST OF FIGURES .....	xii
ABSTRACT .....	xiii
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
1.0 Introduction.....	1
1.1 Background.....	1
1.2 Problem Statement.....	3
1.3 Purpose of the study.....	3
1.4 Objectives of the study .....	3
1.5 Research Questions.....	4
1.6 Scope of the study .....	4
1.6.1 Conceptual scope .....	4
1.6.2 Geographical scope.....	4
1.6.3 Time scope .....	5
1.7 Significance / justification of the study .....	5
<b>CHAPTER TWO .....</b>	<b>6</b>
<b>LITERATURE REVIEW .....</b>	<b>6</b>
2.0 Introduction.....	6
2.1 Theoretical Review .....	6
2.1.1 Agency Theory .....	6
2.2 Study Literature .....	7
2.3 Conceptual Review.....	7
2.3.1 Bill payments on the financial performance of Housing Finance Bank.....	7

2.3.2The contribution of Mobile SMS banking on the financial performance of Housing Finance Bank (Uganda).....	8
2.3.3 The contributions of Electronic funds transfers on the financial performance of Housing Finance Bank .....	9
2.4 Conclusion .....	11

## **CHAPTER THREE.....13**

### **RESEARCH METHODOLOGY .....13**

3.1 Introduction.....	13
3.2 Research Design .....	13
3.3 Study population.....	13
3.3.2 Sampling design.....	14
3.3.3 Sample size .....	14
3.4 Data collection methods and instrument.....	15
3.4.1 Data source .....	15
3.4.2 Collection methods .....	15
3.4.2 .1 Questionnaire;.....	15
3.4.2.2 Interview .....	15
3.4.2.3 Documentary analysis;.....	16
3.5 Data collection instruments .....	16
3.5.1Structured interviews schedule;.....	16
3.5.2 Semi- structure questionnaires;.....	16
3.6 Data collection procedure .....	16
3.6.1 Data processing and analysis .....	16
3.6.2 Reliability .....	16
3.6.3 Validity .....	17
3.6.4 Data processing and presentation .....	17
3.6.5 Data Analysis.....	17
3.7 Ethical considerations.....	17
3.8 Limitation of the study.....	18

## **CHAPTER FOUR .....19**

### **PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS .....19**

4.0 Introduction.....	19
4.1 Objective of the study .....	19



4.2.0 Objective one (i) .....	19
4.2.1 Study composition .....	20
4.2.2 Characteristics of the respondents .....	20
4.2.3 Age bracket of the respondents.....	21
4.2.4 Marital status of the respondents. ....	22
4.2.5 Education level of the respondents. ....	23
4.2.6 Period worked of the respondents.....	24
4.2.7 Department of the respondents. ....	25
4.3.0 Research objective one: .....	26
4.3.1 Access and understandability of m-banking technology .....	26
4.3.1 (a). Responses on whether one needs to register with the bank to access m-banking services .....	26
4.3.1 (b)Responses on whether one can access M-banking any time 24 hours.....	27
4.3.2 Function of m-banking .....	28
4.3.2 (a) Payments of utility bills can done through M-banking technology. ....	28
4.3.2 (b)Responses on whether one can deposit/ withdraw money using Mobile phone. ....	30
4.3.3 Maintenance of m-banking and compare it with ATMs.....	31
4.3.3 (a) M-banking is more preferred than use of ATMs.....	31
4.3.3 (b) Responses on whether M-banking requires continuous maintenance. ....	32
4.4.0 Research objective two: .....	33
4.4.1 Literacy of employees on m-banking and services offered .....	33
4.4.1 (a) Am mobile banking literate? .....	33
4.4.1 (b)M-banking services at Housing finance Bank Arua Branch (Uganda).....	34
4.4.2 Importance of M-banking .....	36
4.4.2 (a) M-banking is one way of coping with the ever changing customer expectations.....	36
4.4.2 (b) Mobile banking was introduced to gain competitive advantage.....	37
4.4.2 (c) M-banking increase customer access to the banking services as well as convenience...38	
4.4.2 (d)The bank has the ability to keep customers Mobile banking transaction confidential ....39	
4.4.3 Use of m-banking by respondents (employee of the bank) .....	40
4.4.3 (a) Do you use bank's mobile banking services? .....	40
4.4.3 (b)If you were not working in Housing finance Bank (Arua branch) would you consider using its mobile banking services? .....	41
4.5.0 Research objective three .....	42
4.5.1 M-banking enables provision of quality services .....	42
4.5.1 Responses on whether M-banking enables provision of better quality services. ....	42

4.5.2 Loss of data due to system failure is a risk to m-banking. ....	43
4.5.2 Impact of m-banking on financial performance. ....	44
4.5.3 Responses on whether m-banking has led to increase in financial performance.....	44
4.5.3 Relationship of m-banking and financial performance .....	45
4.6 Conclusion .....	46

## **CHAPTER FIVE .....47**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION .....47**

5.0 Introduction.....	47
5.1 Bio data information (Findings) .....	47
5.1.1 Gender of respondent.....	47
5.1.2 Age bracket of respondent .....	48
5.1.3 Marital Status of respondent.....	48
5.1.4 Education level of respondent .....	48
5.1.5 Period worked with the bank by respondent.....	48
5.1.6 Department of respondent.....	49
5.2 Summary of findings .....	49
5.2.1 To study/ evaluate how the mobile banking technologies work at Housing finance Bank Arua branch) .....	49
5.2.2 Accessibility of the services, Understandability of the technology.....	49
5.2.3 Functions of the services .....	49
5.2.4 Maintenance of m-banking and compare it with ATMs.....	49
5.2.5 Conclusion on objective one.....	50
5.3.0 To examine the use of mobile banking and various services provided through mobile banking at Housing finance Bank Uganda. ....	50
5.3.1 Literacy of employees on m-banking, .....	50
5.3.2 Use of m-banking by employee and various services offered in m-banking.....	50
5.3.3 Importance of M-banking .....	51
5.3.4 Conclusion on objective two .....	51
5.4.0 To establish the relationship between m-banking and financial performance (Housing finance Bank Arua branch) .....	51
5.4.1 How m-banking enables provision of quality services.....	51
5.4.2 Positive effects of m-banking on financial performance .....	52
5.4.3 Conclusion on objective three .....	52
5.5 Overall Conclusion .....	52

5.6 Recommendations.....53

5.7 Area of further study.....53

REFERENCES .....54

APPENDIX A.....56

QUESTIONNAIRE FOR STAFF HOUSING FINANCE BANK (UGANDA).....56

## LIST OF TABLES

Table 1: showing a summary for various mobile banking services.....	11
Table 2: Showing the conceptual Frame work .....	12
Table 3: Distribution of respondents according to their department .....	14
Table 4: the table below shows the sex/gender of the respondent.....	20
Table 5: this table shows age bracket of the respondents .....	21
Table 6: Showing the marital status of the respondents. ....	22
Table 7: the table shows level of Education attained by respondent .....	23
Table 8: Below shows; Period worked in Housing finance Bank Arua Branch (Experience) .....	24
Table 9: A table showing department of the respondents.....	25
Table 10: shows respondent if one needs to register with the bank to access m-banking.....	27
Table 11: A table showing one can access M-banking service any time 24 hours.....	27
Table 12: A table on respondent on payments of utility bills.....	29
Table 13: showing deposit/ withdraw money using Mobile phone .....	30
Table 14: below reveals m-banking is more preferred than use of ATMs .....	31
Table 15: shows respondents on M-banking require continuous maintenance. ....	32
Table 16: Table below shows illiteracy of respondents on m-banking .....	34
Table 17: shows services offer by Housing finance Bank (Arua branch) .....	35
Table 18: m-banking was introduced to gain competitive advantage .....	37
Table 19: showing m-banking increase convenience to customer .....	38
Table 20: table below shows M-banking transaction are kept confidential .....	39
Table 21: showing if respondent use bank's mobile banking services.....	40
Table 22: showing respondent using m-banking services if not working with the Bank.....	41
Table 23: the table below shows whether M-banking enables provision of better quality services .....	43
Table 24: below showing loss of data due to system failure is a risk to m-banking .....	44
Table 25: the table below reveals, m-banking has led to increase in financial performance .....	45
Table 26: Below shows Relationship of m-banking and financial performance.....	45

## LIST OF FIGURES

Figure 1: A pie chart showing the sex/gender of the respondent.....	20
Figure 2 : shows age bracket of the respondents .....	21
Figure 3: Marital status of the respondents on a graph.....	22
Figure 4: Shows education level of the respondents .....	23
Figure 5: shows Period worked of the respondents .....	24
Figure 6: A pie chart on department of the respondents.....	25
Figure 7: if one needs to register with the bank to access m-banking services .....	26
Figure 8: shows whether one can access M-banking service any time 24hours.....	28
Figure 9: respondent on payments of utility bills can done through M-banking.....	28
Figure 10; whether one can deposit/ withdraw money using Mobile phone .....	30
Figure 11 : shows if m-banking is more preferred than use of ATMs .....	31
Figure 12: Chart showing M-banking requires continuous maintenance.....	32
Figure 13: showing illiteracy on m-banking of respondents .....	33
Figure 14: this graph shows services offer by Housing finance Bank branch Arua ) .....	34
Figure 15: showing respondents responses.....	36
Figure 16: : graph showing m-banking was introduced to gain competitive advantage .....	37
Figure 17: graph on m-banking increase convenience to customer.....	38
Figure 18:: respondent on the bank keeping M-banking transaction confidential .....	39
Figure 19: graph on respondent use bank's mobile banking services .....	40
Figure 20: consider using its m-banking services if not working with the Bank .....	41
Figure 21: graph below reveals whether M-banking enables provision of better quality services. .....	42
Figure 22: graph shows Loss of data due to system failure is a risk to m-banking.....	43
Figure 23: graph shows m-banking has led to increase in financial performance.....	44

## ABSTRACT

The introduction of customer friendly service by the bank such as m-banking, internet banking, Automated Teller Machines among others as a way of delivering convenience service to customer has become common in the recent year as a way of gaining competitive advantage and maintaining customer loyalty and increase share in order to improve the financial position of a company.

The study main objectives were; to study the m-banking technology used at Housing finance Bank Arua Branch (Uganda), to examine the contribution of m-banking SMS and various services provided through m-banking at Housing finance Bank Arua Branch (Uganda), to establish the relationship between m-banking and financial performance of Housing finance Bank branch Arua (Uganda)

The methods used to collect data basically through self administered questionnaires both structured and semi-structure, interviews and observation. The Data collected was analyzed qualitatively and quantitatively. The study was also backed by literature review on m-banking and banking sector in Uganda

The study findings indicate that one need to register with bank and maintain an account with both the bank and telecom company such as MTN. The services offered by Housing finance Bank Arua Branch (Uganda) include; Account Balance Enquiry, Fund Transfer between Accounts, Bills payment (utility bills) among others. The introduction of m-banking in Uganda has contributed to customer loyalty, convenience and also has influenced the financial performance of the banking sector in Uganda positively. Therefore there is a positive relationship between m-banking and financial performance of banks.

Conclusion and recommendation were made towards strengthening the contribution of m-banking to financial performance of the banking sector in Uganda. the researcher recommends that; The bank should conduct research on other possible m-banking packages, Free training and refreshing training should be provided to staff of the bank and if possible to customers and the bank should provide toll free line to enable customers who want to use the system and also in case of any problem that deserve attention of the bank.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter covers the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study (Conceptual scope and Geographical scope) and the significance/ justification of the study.

#### **1.1 Background**

This study is about mobile banking and performance of financial institutions in Uganda with a case of Housing finance Bank Arua branch.

According to Nasikye (2009) Mobile banking (m-banking) involves the use of a mobile phone or another mobile device to undertake financial transaction linked to a client account. According to Owen m-banking refers to provision and availing of banking and financial service with the help of mobile telecommunication device. Services include performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone which is most used in developing countries or Personal Digital Assistant (PDA).

Financial performance refers to the financial soundness where depositors' funds are safe in a stable banking system. (BOU, 2002) The financial soundness of a financial institution may be strong or unsatisfactory varying from one bank to another. Mugembe (2008) external factors such as deregulation: lack of information among bank customers, homogeneity of the bank business do cause bank failure. The activities undertaken in mobile-banking contribute to the financial soundness of the performance of financial institutions in Uganda. Some useful measures of financial performance are coined into what is referred to as CAMELS (Capital adequacy, Asset quality, Management, Earning, Liquidity and Sensitivity analysis) which guide the banking sector Madhyam, Stichele (2010).

The technology innovations have influenced the banking sector in one way or another. Kassim<sup>2005</sup> explains that the technological revolution has produced new development in the banking industry. According to Oryiek (2008) the first ATM in Uganda was brought by SCI for Housing finance bank in 1997 and SCI has been an active catalyst in the rapid growth and development of electronic banking in the country hence the introduction of mobile-banking few years ago and this explains why Housing finance bank is ranked as one of the performing banks in Uganda.

Mobile banking has transformed the way people in the developing world transfer money and now it is poised to offer more sophisticated banking services which could make a real difference to people's lives. This type of banking can offer a wide variety of services ranging from account information, which has to do with alerting the customers on the updates and transactions on their account through their mobile phones. People receive short messages on their phones informing them of their immediate transactions in their bank accounts. Also, they help in payments (utility bills), deposits, withdrawals, transfers, purchase airtime, request bank statements and perform 13 other crucial banking tasks, all in real time over their mobile phones.

Banks including Housing finance bank(Uganda)(Buyer and lenders, 2001) have largely implemented service delivery technology as a way of augmenting the services traditionally provided by personnel, how craft, Bacett, (1996).

According to IDG News Service<sup>4Sep, 2008</sup>Equity bank pioneered the first m-banking technology in the world to reach out to the unbanked, and for championed the empowerment of ordinary people through inclusive finance. Nasikye (2009) the m-banking technology is similar to that of MTN (mobile money) Warid (warid-pesa), Airtel money, Safaricom's MPESA (in Kenya), among others that has made banks uncomfortable given the shift of most transactions from banks to mobile phone kiosks.

In the banking sector in our world today, mobile banking is a fast growing issue. This has come to improve the level of banking system and can be described as the provision of banking or financial services with the aid of mobile telecommunication devices. M-banking has come to stay, providing its customers with an expedient way of banking. This is not however without challenges, but they are minimal and can be handled without much stress.



## **1.2 Problem Statement**

Mobile banking was introduced as a competitive tool and it's here to stay, not however without challenges; According to Nasikye 2009 the mobile and wireless market has been one of the fastest growing market in Uganda and is still growing at a rapid pace following the addition of few telecommunication players who have attracted dynamic number of subscriber, this is feared as a threat by banking industry (competition) and also increased level of fraud for example MTN a telecom company Lost Sh14b in Mobile Money Fraud Uganda News May 23, 2012. Commercial banks have tried to come up with their m-banking services and also to partner with telecom companies (MTN Telecom Company and Post Bank Uganda Ltd) MTN Press Box 8/12/2010 and others like Standard Bank has bought the MTN Banking business from MTN Mobile Money South Africa but still telecom mobile companies seem to be dominating in the m-banking services. The commercial banks are now coming up with innovation which is the answer to reduce costs and solve the tension between sustainability and reaching to the very poor (Ducker 1985), Hence forcing banks to link with mobile telecom companies to provide better quality services given that the low income earners can now own mobile phone.

## **1.3 Purpose of the study**

The main purpose of the study was to establish the level and contribution of mobile banking in the financial performance of Housing finance Bank in Uganda.

## **1.4 Objectives of the study**

- i. To find out whether Bill payments have a contribution on the financial performance of Housing finance Bank.
- ii. To examine whether Mobile SMS banking has a contribution on the financial performance of Housing finance Bank (Uganda).
- iii. To find out Electronic funds transfers has a contribution on the financial performance of Housing finance bank.

## **1.5 Research Questions**

- a) How do bill payments contribute on the performance of Housing Finance Bank (Uganda)?
- b) How m-banking used and what was were the various services provided through m-banking?
- c) How do electronic funds transfers contribute on the performance of Housing finance bank?
- d) What was the importance of SMS on the performance of Housing finance Bank?
- e) What was the relationship between m-banking and financial performance of Housing finance Bank (Uganda).

## **1.6 Scope of the study**

### **1.6.1 Conceptual scope**

The study concentrated on establishing the influence m-banking has on the effects of financial performance of Housing Finance Bank (Uganda). The study focused on the m-banking which was the independent variable with several indicators considered which included; M-transactions. Effects on financial statement was the dependent variable having the following measures; Capital adequacy, Asset quality, Management, Earnings, Liquidity and sensitivity.

### **1.6.2 Geographical scope**

The study was conducted in Housing finance Bank Arua branch, Rhino camp road in the accounts department since the place was convenient in terms of; time, cost and information required which was readily available since respondents (staff members) are accessible.

### **1.6.3 Time scope**

The study was conducted within the period of three (3) years starting from 2016 up to 2019 and the references from the previous years.

### **1.7 Significance / justification of the study**

- i. The findings of the research/study was assisted the Housing finance Bank (Uganda) to know which m-banking service was urgent and need strategic observation.
- ii. The study improved not only researcher's scope of understanding m-banking but also entire public hence gain exposure to the m-banking technology.
- iii. The dissertation was used as reference material by future researchers interested in further research on m-banking and performance of financial institutions in Uganda. It's also a requirement for award of bachelor's degree of Business Administration at Kampala International University.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents a comparison of the current exiting knowledge from literature on Mobile banking and its financial performance of Housing Finance bank in Uganda. The literature includes a review of detailed and related literature based on, Nature of banking sector in Uganda,

Housing Finance Bank (Uganda), M-banking, various service of m-banking, benefits of M-banking, Challenges of M-banking and financial performance.

#### **2.1 Theoretical Review**

##### **2.1.1 Agency Theory**

Agency theory is concerned with resolving problems that can exist in agency relationships; that is, between principals such as shareholders and agents of the principals for example, company executives. The two problems that agency theory addresses are: the problems that arise when the desires or goals of the principal and agent are in conflict, and the principal is unable to verify what the agent is actually doing and the problems that arise when the principal and agent have different attitudes towards risk. Because of different risk tolerances, the principal and agent may each be inclined to take different actions.

According to Adams (1994) in his article stated that agency theory can provide for richer and more meaningful research in the M. banking. Agency theory contends that M. banking in common with other intervention mechanisms like financial reporting and international accounting standards helps to maintain cost-efficient contracting between owners and managers. Agency theory may not only help to explain the existence of m-banking in financial institutions but can also help explain some of the characteristics of M- banking, for example, its size, and the scope of its activities, such as m-banking versus Financial performance. Agency theory can be

employed to test empirically whether cross-sectional variations between m-banking services reflect the different contracting relationships emanating from differences in organizational form.

## **2.2 Study Literature**

Housing Finance Bank is a commercial bank in Uganda. It is one of the commercial banks licensed by the Bank of Uganda, the national banking regulator.

The bank is a large financial service provider in Uganda. It is involved in all aspects of commercial banking with a focus on the provision of banking services to foreign embassies and non-governmental organizations and their staffs. As of 2017, Housing Finance Bank was the 9th largest commercial bank in Uganda, with an asset valuation of approximately US\$185.9 million (UGX: 680.2 billion), and shareholders' equity in excess of US\$114.2 million (UGX: 288.2 billion). The bank is the largest indigenous Ugandan commercial bank. In 2014, its customer base was estimated at about 600,000.

Housing Finance Bank started operations in 1967 after receiving a commercial bank license from the Bank of Uganda. The bank belongs to the David Opiokello Chairman, Micheal Mugabi Acting CEO which includes financial institutions, real estate investments, horticultural enterprises, hotels and resorts.

In 2014, Housing Finance Bank acquired the assets and some of the liabilities of National Bank of Commerce (Uganda), a small indigenous financial services provider that lost its banking license..

## **2.3 Conceptual Review**

### **2.3.1 Bill payments on the financial performance of Housing Finance Bank**

The use of technology in settling utility bills is taking root, saving consumers time and money. In Uganda the latest application is the partnership between utility operator, the National Water and Sewerage Corporation (NWSC) and Uganda telecom in which consumers directly pays for their bills using M-Sente mobile money platform or instruct their banks to remit money to the NWSC

accounts. (New Vision Reported by David Mugabe Feb 20, 2011) NWSC is phasing out cash offices, opting for mobile money, m-banking and over the counter payments with partnering banks.

According to DrLennart, Soderberg, and 2008 m-banking is the term we use to describe financial services delivered via mobile networks using mobile phones. Normally, such services include depositing, withdrawing, sending and saving money, as well as making payments. According to Owen mobile banking refers to provision and availing of banking and financial service with the help of mobile telecommunication devices as a mobile phone which is most used in developing countries or Personal Digital Assistant (PDA).

### **2.3.2The contribution of Mobile SMS banking on the financial performance of Housing Finance Bank (Uganda).**

Currently in Uganda the SMS banking service is being used and it offers clients the ability to access inquiry services like bank balance and mini statements using their mobile phones Abunyang (2007).

With the use of m-banking in Housing Finance Bank (Uganda) you can do all this on your mobile phone: Make a balance inquiry, Request a mini statement of last 3 transactions, Transfer funds across your accounts and other pre-nominated accounts in Standard Chartered, Pay utility bills for UMEME and National Water and Sewerage Corporation, Request a cheque book and get alerts for withdrawals on your account.

The scope of offered service may include facilities to conduct banking transaction, to administer accounts and to access customized information. Nasikye (2009) m-banking today can be performed through SMS. It is usually implemented through the use of special software called client that can be downloaded to the mobile phone.

According toDrLennart, Soderberg 2008these services may or may not be defined as banking services by the regulator, depending on the legislation of the country in question, as well as on which services are offered. Hence, we may refer to an initiative as M-banking service even

though it would not fall into the banking definitions under that particular country's regulatory regime. 2008,

M-banking is by Porteous (2006) separated into two categories; additive, where the model uses M-banking as an extra access channel for existing clients and transformational is where it is categorized by a new type of services that could attract users from rural areas and poorer segments of the market, and hence can have a transformational effect. This is commonly used among retail banks.

### **2.3.3 The contributions of Electronic funds transfers on the financial performance of Housing Finance Bank**

Retail banks; by the term retail banks, we refer to conventional banks that offer services to individuals from the public DrLennart, Soderberg (2008). In this way customers are able to withdraw and deposit cash easily, funds are transferred electronically using ATMs to provide retail banking services allowing 24, hours a day cash withdrawal, balance verification and bill payment at branches and remote locations away from branches (Gourlay and Pentecost 2005).

M-transactions; transactions such as remittances and payments delivered via mobile networks and are performed on a mobile phone (2008, DrLennart, Soderberg). The study will focus only on M-transactions.

A number of enabling technologies are being used in the delivery of m-banking service applications. According to Abunyang (2007) they include Interactive Voice Response (IVR), Short Messaging Service (SMS), wireless Access Protocol (WAP) and standalone Mobile Application Clients (MAC).

SMS banking uses text messaging and works in either a push or a pull mode. In pull mode, the bank sends a one-way text message to alert a mobile subscriber of a certain account situation or to promote a new bank service. In push mode, the mobile subscriber sends a text message with a predefined request code to specific number. The bank then responds with a reply SMS containing the specific information.(DrLennart, Soderberg 2008).

Dixon et al (1990) said that appropriate performance measures are those which enable organizations to direct their actions towards achieving their strategic objectives.

Kotey, Reid and Ashelby (2002) contends that performance is measured by either subjective or objective criteria, arguments for subjective measures include difficulties with collecting qualitative performance data from small firms and with reliability of such data arising from differences in accounting methods used by firms.

Whittington and Kurt (2001) found out that objective performance measures include indicators such as profit growth, revenue growth, return on capital employed. Financial consultants Stern Stewart and Co. created Market Value Added (MVA), a measure of the excess value a company has provided to its shareholders over the total amount of their investments (John and Morris, 2011).

From the consumers' point of view, electronic payment of bills is cheaper, faster, and more convenient than writing, posting and reconciling cheques. In addition, though limitations exist, a wider range of bank accounts or credit cards can be used for the electronic payment of bills.

Using electronic bill presentment and payment enables businesses to fast-track customer payments and get access to funds faster, which in turn results in cash flow improvement.

For banks the advantages of electronic bill payments are a reduction in processing costs minimizing paperwork and an increase in customer loyalty. In a 2003 study, the banks said that "customers who pay online show more loyalty and are more receptive to other offers".



**Table 1: showing a summary for various mobile banking services**

	Push	Pull
Transaction		<ul style="list-style-type: none"><li>• Funds transfer</li><li>• Bill payment</li><li>• Share trade</li><li>• Check order</li></ul>
Inquiry	<ul style="list-style-type: none"><li>• Minimum balance alert</li><li>• Credit/debit alert</li><li>• Bill payment alert</li></ul>	<ul style="list-style-type: none"><li>• Account balance inquiry</li><li>• Account statement inquiry</li><li>• Check status inquiry</li><li>• Transaction history</li></ul>

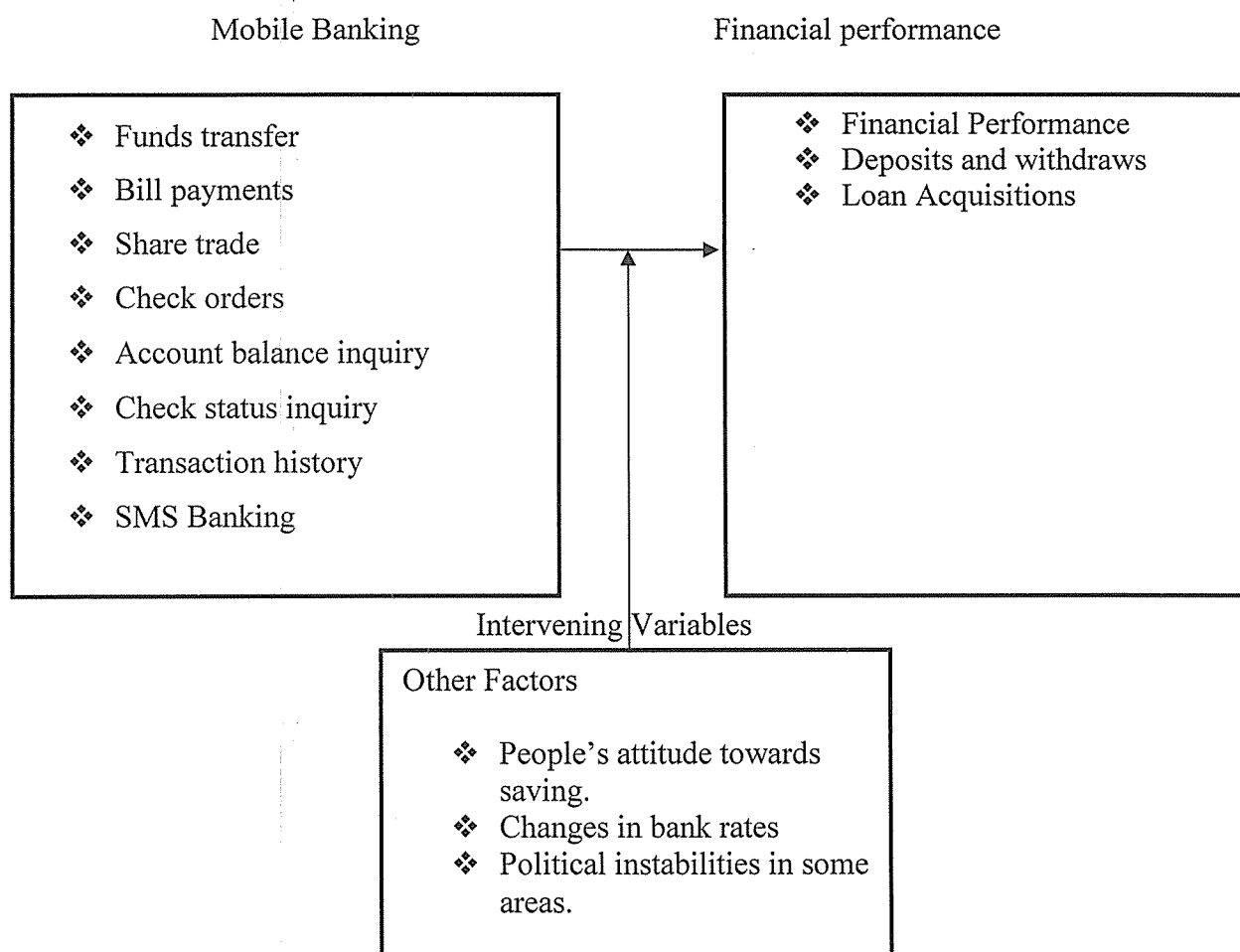
## **2.4 Conclusion**

Mobile Technology which has contributed to m-banking has seen an unprecedented development and growth during the last few years and it is becoming a major catalyst for economic and social development in many countries Uganda inclusive. Hundreds of mobile applications ranging from mobile health to mobile banking have been developed and mobile communication is becoming increasingly affordable for the poorer segment of the population worldwide.

The introduction of m-banking draws upon the successful marriage of two fundamentally different technological platforms; banking and mobile telephone. Financial Institutions such as Housing Finance Bank(Uganda)are entering in to partnership with companies that provide utility service, mobile service operators in the aim of proving M-banking. However, the daunting task of overcoming technological challenges will not constitute the major barrier in the future for fast diffusion.

**Table 2: Showing the conceptual Frame work**

Independent variables      Dependent variables



Source; Developed by the researcher from the literature review

### Figure 1; Conceptual Review;

From the above conceptual frame work, it is clear that the factors that affect mobile banking are, Funds transfer, Bill payments, share trade, check orders, Account balance inquiries, check status inquiries, Transaction history, SMS Banking. These affect Financial performance a dependent variable which is measure by, Financial performance Deposits and withdraws, Loan Acquisitions, and so on. However, there are also intervening factors like, People's attitude towards saving, Changes in bank rates, Political instabilities in some areas.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter deals with collection of data (the various sources of data for the study), analysis and presentation of data. It outline the methodology used in the study and it include; research design to be employed, the survey population, sampling design, sampling size, data collection methods, instruments that were used in the data processing and analysis and the possible limitation of the study.

#### **3.2 Research Design**

The study adopted a descriptive survey research design. Mugenda and Mugenda (2003) describes descriptive research design as a systematic, empirical inquiring into which the researcher does not have a direct control of independent variable as their manifestation has already occurred or because the inherently cannot be manipulated. Descriptive studies are concerned with the what, where and how of a phenomenon hence more placed to build a profile on that phenomenon (Mugenda and Mugenda, 2003). Descriptive research design was more appropriate because the study seeks to build a profile about the impact of mobile banking on the financial performance of commercial banks in Uganda.

#### **3.3 Study population**

Population in statistics is the specific population about which information is desired.

According to Ngechu (2004), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. Following the small number of institutions in the industry, the study included all the institutions hence a census study was conducted. The target population for the study involved 30 respondents comprising of staff members of Housing Finance Bank Uganda Arua branch.

### 3.3.2 Sampling design

The purposive method of sampling was used for the study. This was dedicated by the nature of the study which aimed at getting specific information from specific persons or individuals.

- According to the American statistical Association (1999) Purposive sampling is used to select only those respondents considered to be key and resourceful in providing required data. The purposive method of sampling will be used to get members of staff from selected departments for interview. The convenience method of sampling was also used for talking to staff that were readily available.
- Convenience sampling was also used to get information from respondents around Arua. According to the American statistical Association (1999), convenience sampling is used to select respondents that are easily approached and are readily available. This technique will therefore be used to select external users of financial statements that are conveniently reachable.

### 3.3.3 Sample size

From Housing Finance Bank Arua branch, 30 respondents were interviewed and were categorized in different departments.

**Table 3: Distribution of respondents according to their department**

Category of Respondents	No of Respondents
IT department staff	8
Accounts department	12
Other department	10
<b>Total</b>	<b>30</b>

Source; primary data

### **3.4 Data collection methods and instrument**

#### **3.4.1 Data source**

The study used both primary and secondary data.

- **Primary data source;** questionnaires and interview were the main source of data. These questionnaires were distributed to staffs of the Housing Finance Bank (Uganda) at Arua branch in Arua District. Primary data was regarded as the first hand information collected from respondents.
- **Secondary data source;** obtained from the banks records, financial reports, and auditors' letters to the management, previous research reports, journals, newspapers, newsletters and internet.

#### **3.4.2 Collection methods**

It was in order to exhaustively obtain and compile the data that was collected, it was necessary to combine questionnaires and interview methods.

**3.4.2 .1 Questionnaire;** during the study, one set of questionnaire were used both with closed and open-ended questions for staff of Housing Finance Bank (Uganda). The closed questions were used to assist the researcher to check whether the information given was corrected and consistent. According to Kenyon (1999), Questionnaires ease data collection from respondents who are literate enough to read and write.

**3.4.2.2 Interview;** this involved face to face discussion with specific respondents such as employees and customers in a relaxed and conversational atmosphere.

According to Trochim (1996) the method of interview permits collection of first hand detailed information about the themes of the study. In addition it gives respondents a chance to answer questions unlimitedly and flexibly and therefore is appropriate method to use to collect data from key informants.

**3.4.2.3 Documentary analysis;** this method was used to help retrieve data from the secondary sources which included archives of records containing financial reports and auditors' letters to the management.

### **3.5 Data collection instruments**

**3.5.1 Structured interviews schedule;** was used in accordance with the main themes of the study. (1996) Trochim observed that structured interviews schedules gives respondents chance to answer all or some questions in an unlimited manner. Therefore a structured interview schedule was developed in accordance with the main themes of the study.

**3.5.2 Semi- structure questionnaires;** was preferred because as Kenyon (1999) argued, it could permit either open or close ended or both types of questions, thereby giving respondents freedom to answer all or some questions in details. It can also be designed according to the main themes of the study.

### **3.6 Data collection procedure**

The researcher himself distributed the questionnaires to various respondents during the study and he (researcher) made analysis during the interviews and collected all questionnaires.

#### **3.6.1 Data processing and analysis**

After collecting the data from the field, the researcher edited the data to ensure that the questions have been properly, correctly answered and consistent. Tables and figures were used in presenting the findings. The frequency distribution tables were used to tabulate data to show percentages calculated. The Pearson's coefficient was used to establish the relationship between the variables (using the SPSS and Excel program).

#### **3.6.2 Reliability**

The research tools were self-administered and open ended in nature this allowed for a personal view from the employee-respondents without any influence from the external person and this

study aimed at using a convenient way of data collection where the researcher would there to interpret.

### **3.6.3 Validity**

The study being academic kept confidential information demanded by the case study. The research was supervised by a research professional as appointed by the Research department and all procedures were followed to reach conclusions and relevance of the study.

### **3.6.4 Data processing and presentation**

After collecting the data from the field, the researcher edited the data to ensure that the questions were properly, correctly and consistently answered. Tables and figures were used in presenting the findings. The frequency distribution tables were used to tabulate data to show percentages calculated. The Pearson's coefficient was used to establish the relationship between the variables (using the SPSS and Excel program).

### **3.6.5 Data Analysis**

Data was collected and analyzed using both quantitatively and qualitatively for purposes of uniformity, accuracy, completeness and conclusions using computer packages.

### **3.7 Ethical considerations**

The respondents were assured that the research collected was entirely for purposes of an award of a degree and not any other purpose and information received from the microfinance was confidential.

### **3.8 Limitation of the study**

- ❖ Confidentiality of information, the selected respondents are likely to be selective with their answers due to fear of releasing important information to competitors.
- ❖ Most of the respondents were likely to use a lot of technical terminologies language which was a bit hard for the researcher to understand, thus the researcher requires additional time to study and understand the language.
- ❖ The researcher faced a problem of scarce resources especially finance in terms of transport and printing costs.
- ❖ Time; the respondent was busy with routine work so they could not answer the questionnaires in the required time. The research was carried out during the study period hence the time was against the researcher.
- ❖ Bureaucracy of the administration in the institutional made it hard for the researcher to reach the sample target in time.
- ❖ Some of the questionnaires distributed by researcher were not returned in time which delayed the process of the research.



## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS**

#### **4.0 Introduction**

This chapter presents findings of the study on the relationship between mobile banking and the financial performance of Housing finance Bank Uganda. Charts, table, graphs, figures (frequency) and percentages have been used in the analysis, discussion and presentation of the finding which is done in accordance with the objective of the study;

#### **4.1 Objective of the study**

- i. To find out Electronic funds transfers has a contribution on the financial performance of Housing finance bank
- ii. To find out whether Bill payments have a contribution on the financial performance of Housing finance Bank
- iii. To establish the relationship between m-banking and financial performance of Housing Finance Bank Uganda
- iv. To examine whether Mobile SMS banking has a contribution on the performance of financial performance of Housing finance Bank (Uganda).

#### **4.2.0 Objective one (i)**

Under this objective to evaluate how the m-banking technology works at Housing finance Bank Arua Branch (Uganda), the researcher focuses on;

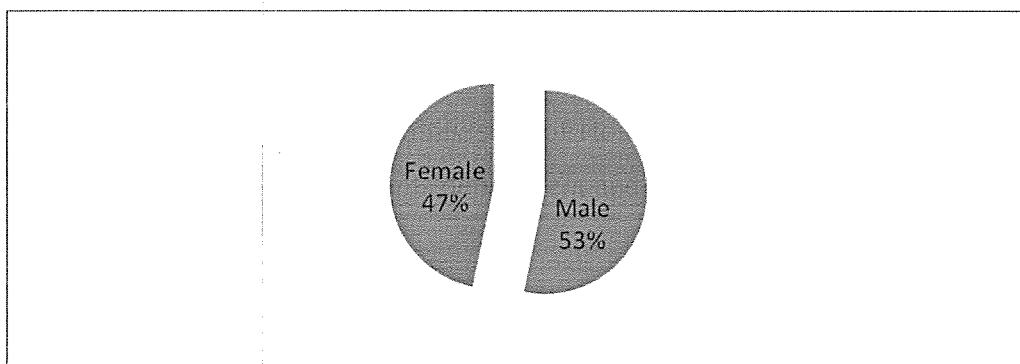
#### 4.2.1 Study composition

This study was composed of mainly staff of Housing finance Bank Uganda from the information technology department, Accounts department and few from other departments of the bank.

#### 4.2.2 Characteristics of the respondents

The researcher focuses on gender of respondent, age Bracket (in years), marital Status, and level of education attained, department and work experience of the respondent.

**Figure 1: A pie chart showing the sex/gender of the respondent**



**Source: Primary data**

The above pie chart shows that 53% of the respondents were male while the female respondents were 47%. This shows that there is no gender discrimination on the employees of the bank.

**Table 4: the table below shows the sex/gender of the respondent.**

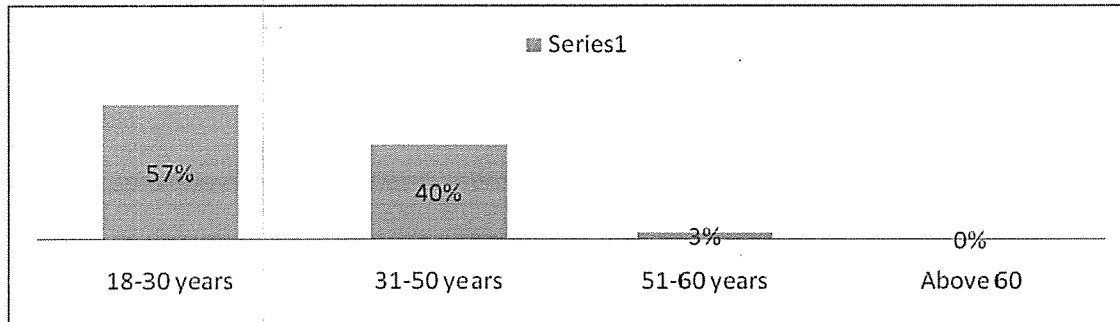
Gender	Frequency	Percentage
Male	16	53%
Female	14	47%
Total	30	100%

**Source: Primary data**

The above table 3 shows that 53% of the respondents were male while the female respondents were 47%. This shows that there is no gender discrimination on the employees of the bank.

#### 4.2.3 Age bracket of the respondents.

**Figure 2 : shows age bracket of the respondents**



Source: Primary data

The findings indicate that majority of the respondents which is 57% were in the age bracket of 18-30years, 40% were aged between 31-50years old, only 3% of the respondent in the bracket of 51-60 years old and none were above 60 years of age. This means that employees of the bank are still productive (young and skilled) to handle the changing technology of M-banking

**Table 5: this table shows age bracket of the respondents**

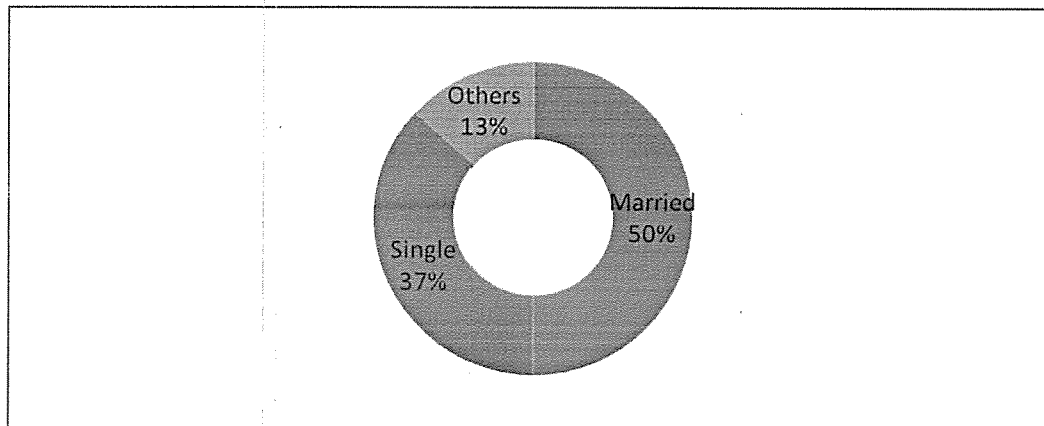
Age	Frequency	Percentage
18-30 years	17	57%
31-50 years	12	40%
51-60 years	1	3%
Above 60	0	0%
Total	30	100%

Source: Primary data

The findings indicate that majority of the respondents which is 57% were in the age bracket of 18-30years, 40% were aged between 31-50years old, only 3% of the respondent in the bracket of 51-60 years old and none were above 60 years of age. This means that employees of the bank are still productive (young and skilled) to handle the changing technology of M-banking

#### 4.2.4 Marital status of the respondents.

**Figure 3: Marital status of the respondents on a graph**



**Source: Primary data**

Majority of the respondent or employee working with the bank were married 50%, the single were 37% while others which may include divorced or separated were 13%. Married people sometime tend to have a lot of responsibility and some difficulties to balance work and family while the single employee may have more commitments.

**Table 6: Showing the marital status of the respondents.**

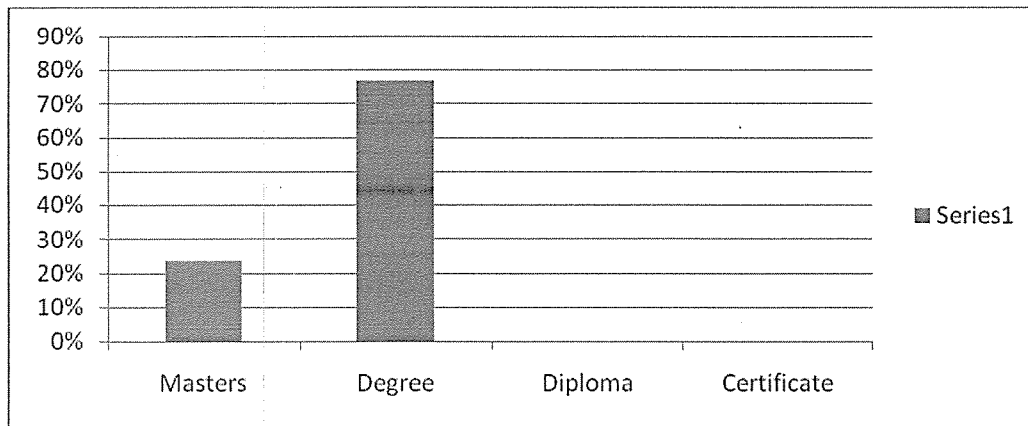
Marital status	Frequency	Percentage
Married	15	50%
Single	11	37%
Others	4	13%
Total	30	100%

**Source: Primary data**

Majority of the respondent or employee working with the bank were married 50%, the single were 37% while others which may include divorced or separated were 13%. Married people sometime tend to have a lot of responsibility and some difficulties to balance work and family while the single employee may have more commitments.

#### 4.2.5 Education level of the respondents.

**Figure 4: Shows education level of the respondents**



Source: Primary data

From the graph above, the finding indicate out of a total of 30 respondents the majority 23 (76.7%) were degree holders followed by masters 7 (23.3%) no diploma or certificate holders work with the bank. This means that employees of the bank are skilled or can be easy be trained to handle the changing technology of M-banking.

**Table 7: the table shows level of Education attained by respondent**

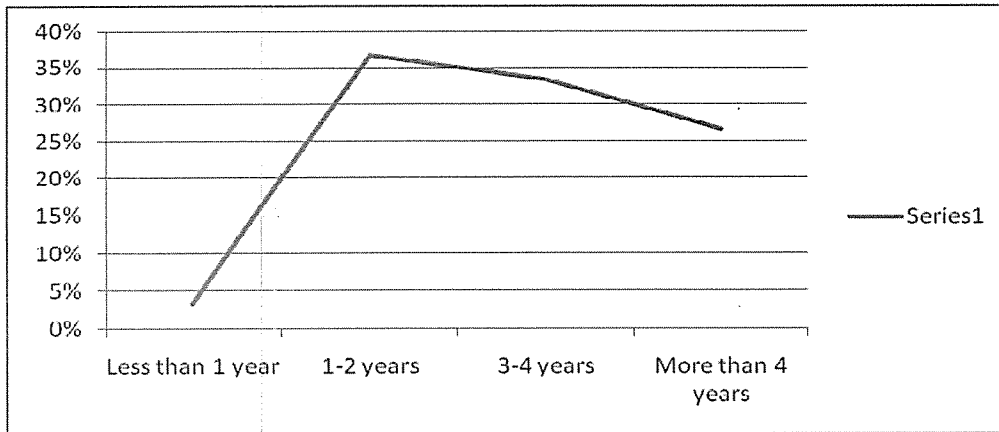
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maste rs	7	23.3	23.3	23.3
	Degre e	23	76.7	76.7	100.0
	Total	30	100.0	100.0	

Source: Primary data

From the table above, the finding indicate out of a total of 30 respondents the majority 23 (76.7%) were degree holders followed by masters 7 (23.3%) no diploma or certificate holders work with the bank. This means that employees of the bank are skilled or can be easy be trained to handle the changing technology of M-banking.

#### 4.2.6 Period worked of the respondents.

**Figure 5: shows Period worked of the respondents**



**Source: Primary data**

From the graph above out of a total of 30 respondents few employees 1 (3.3%) have worked for less than 1 year, 36.7% for a period of 1-2 years, 33.3% worked for a period of 3-4 years and 26.7% for more than 4 years. This means that the bank has a capability of retaining majority of its employees who are skilled and with experience to deal with m-banking or employees are comfortable with the bank technology.

**Table 8: Below shows; Period worked in Housing finance Bank Arua Branch (Experience)**

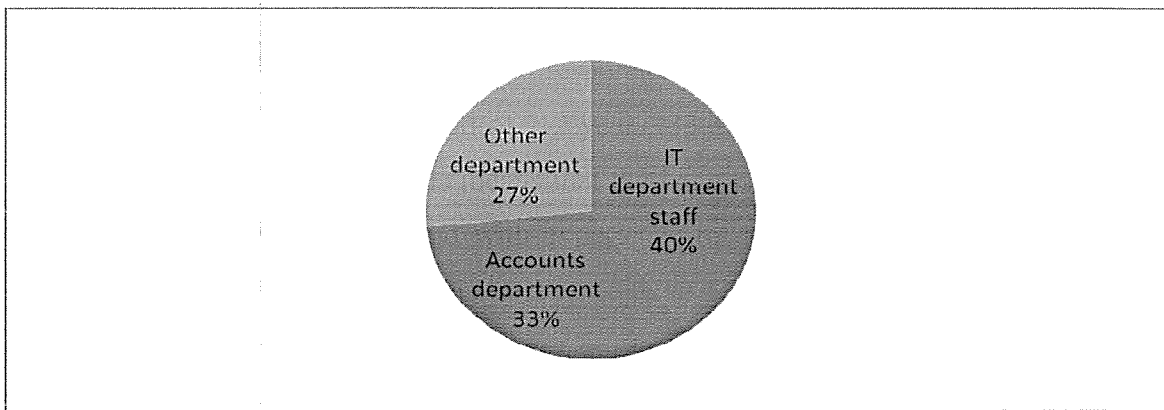
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	1	3.3	3.3	3.3
	1-2 years	11	36.7	36.7	40.0
	3-4 year	10	33.3	33.3	73.3
	More than 4 years	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

**Source: Primary data**

From the table above out of a total of 30 respondents few employees 1 (3.3%) have worked for less than 1 year, 36.7% for a period of 1-2 years, 33.3% worked for a period of 3-4 years and 26.7% for more than 4 years. This means that the bank has a capability of retaining majority of its employees who are skilled and with experience to deal with m-banking or employees are comfortable with the bank technology.

#### 4.2.7 Department of the respondents.

**Figure 6: A pie chart on department of the respondents**



Source: Primary data

Respondents from different IT department, accounts department and other department were 27%, 40% and 33% respectively. This shows that the study response is dominated by accountants who monitor the financial performance of the bank as the table and pie chart above reveals.

**Table 9: A table showing department of the respondents**

Category of Respondents	No of Respondents	Percentage
IT department staff	8	27%
Accounts department	12	40%
Other department	10	33%
Total	30	100%

Source: Primary data

Respondents from different IT department, accounts department and other department were 27%, 40% and 33% respectively. This shows that the study response is dominated by accountants who monitor the financial performance of the bank as the table and pie chart above reveals.

**4.3.0 RESEARCH OBJECTIVE ONE:**

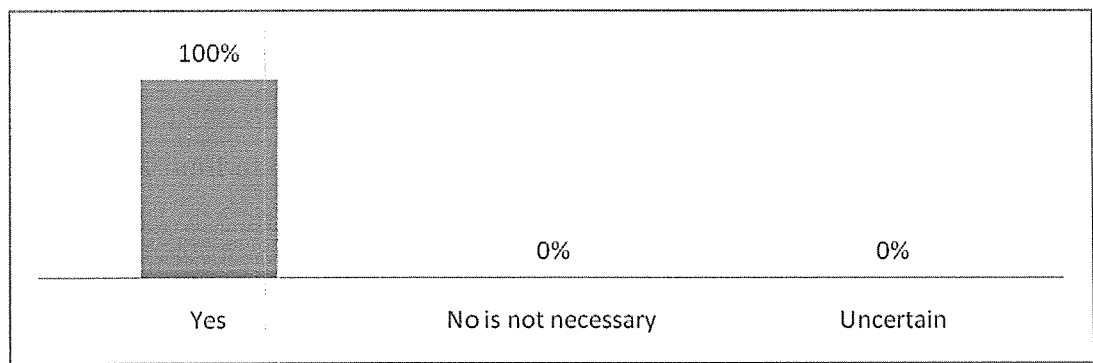
To evaluate how the mobile banking technology works at Housing finance Bank Arua branch .

To study and evaluate how the m-banking technology works, the research focuses on the; Understandability of the technology, accessibility of the services, functions of the services, maintenance of m-banking and compare it with ATMs.

**4.3.1 Access and understandability of m-banking technology**

**4.3.1 (a). Responses on whether one needs to register with the bank to access m-banking services**

**Figure 7: if one needs to register with the bank to access m-banking services**



Source: Primary data



This can be shown that the entire respondents (100%) agreed that one need to register with the bank to get access to m-banking services hence uncertain and not necessary response was 0% each.

**Table 10: shows respondent if one needs to register with the bank to access m-banking**

Respondent	Frequency	Percentage
Yes	30	100%
No is not necessary	0	0%
Uncertain	0	0%
Total	30	100%

Source: Primary data:

The analysis shows that the entire respondents (100%) agreed that one need to register with the bank to get access to m-banking services hence uncertain and not necessary response was 0% each. This can be explained by the graph 7 and table above.

#### **4.3.1 (b)Responses on whether one can access M-banking any time 24 hours**

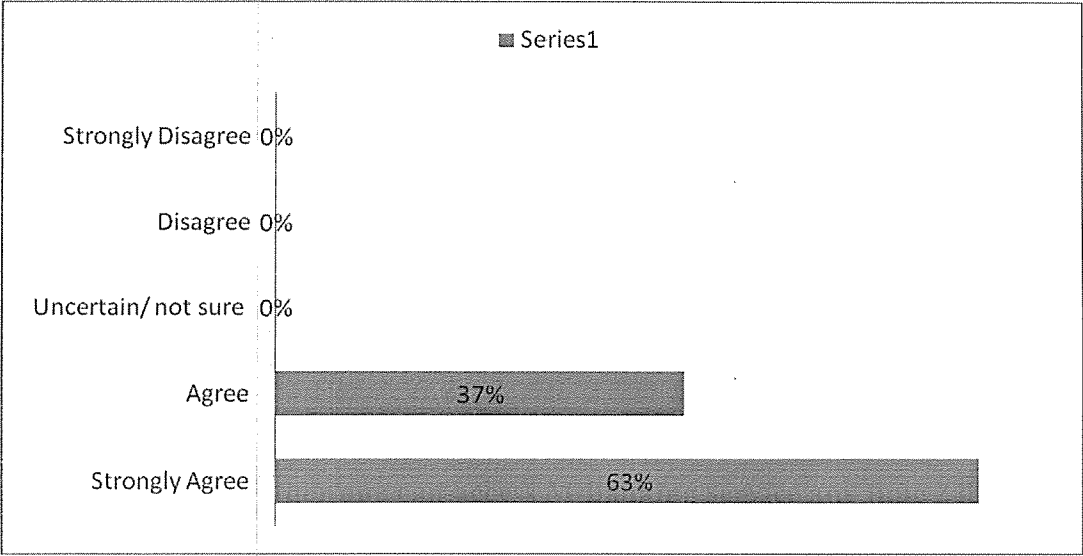
**Table 11: A table showing one can access M-banking service any time 24 hours**

Respondent	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	19	11	0	0	0	30
Percentage	63%	37%	0%	0%	0%	100%

Source: Primary data

The table above reveals that majority of the respondents (63%) strongly agree while 37% agree that M-banking services can be access any time 24 hours. No respondent disagree, strongly disagree or were not sure hence 0%. This reveals the bank employees are well informed to handle m-banking

**Figure 8: shows whether one can access M-banking service any time 24hours**

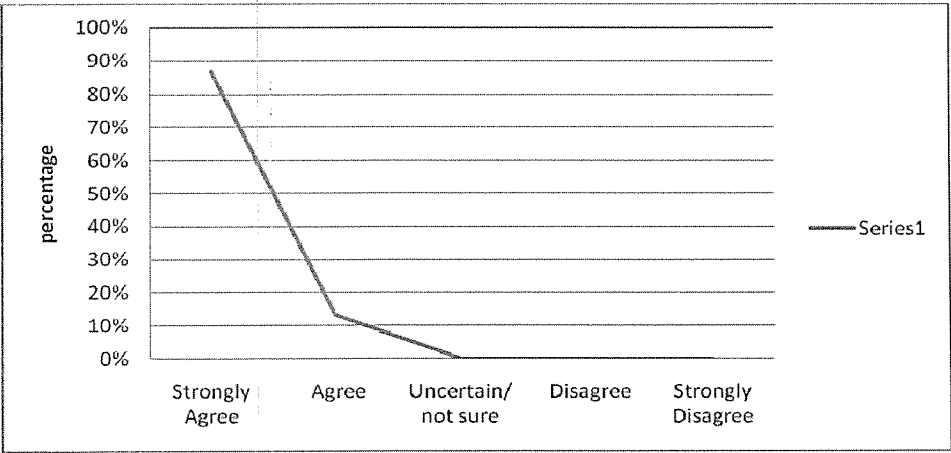


The graph above reveals that majority of the respondents (63%) strongly agree while 37% agree that M-banking services can be access any time 24 hours. No respondent disagree, strongly disagree or were not sure hence 0%. This reveals the bank employees are well informed to handle m-banking.

**4.3.2 Function of m-banking**

**4.3.2 (a) Payments of utility bills can done through M-banking technology.**

**Figure 9: respondent on payments of utility bills can done through M-banking**



**Source: Primary data**

From the graph above majority of the respondent 87% strongly agree that payment of utility bills can be made using m-banking technology and the remaining 13% also agree while none of the respondents disagree, strongly disagree or is uncertain (0%). According to Quiros 2002 and Agadi, 2003 the use of electronic payment means increase in customer connection to the internet eliminate geographical constraints and customer may not need to access physically, implying that customers can have access to banking services in any area at any time

**Table 12: A table on respondent on payments of utility bills**

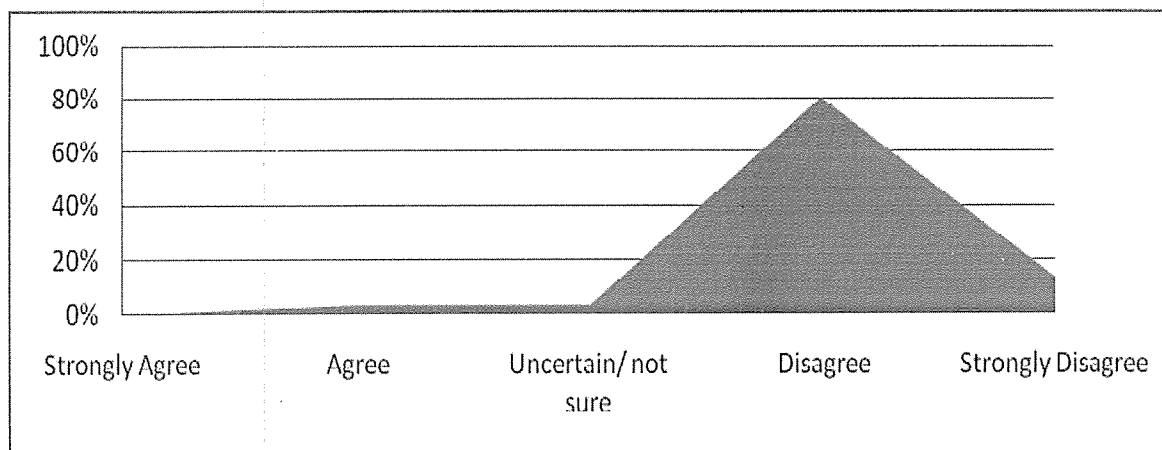
Payment of bills	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
<b>Frequency</b>	<b>26</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
<b>Percentage</b>	<b>87%</b>	<b>13%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

Source: Primary data

From the table above majority of the respondent 87% strongly agree that payment of utility bills can be made using m-banking technology and the remaining 13% also agree while none of the respondents disagree, strongly disagree or is uncertain (0%). According to Quiros 2002 and Agadi, 2003 the use of electronic payment means increase in customer connection to the internet eliminate geographical constraints and customer may not need to access physically, implying that customers can have access to banking services in any area at any time.

#### 4.3.2 (b) Responses on whether one can deposit/ withdraw money using Mobile phone.

**Figure 10; whether one can deposit/ withdraw money using Mobile phone**



Source: Primary data

Basing on the findings majority of respondent 80% disagreed that one can deposit or withdraw money using mobile phone, 13% strongly disagreed, 3% were uncertain and 3% of the respondents agree.

**Table 13: showing deposit/ withdraw money using Mobile phone**

Deposit/withdraw	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	0	1	1	24	4	30
Percentage	0%	3%	3%	80%	13%	100%

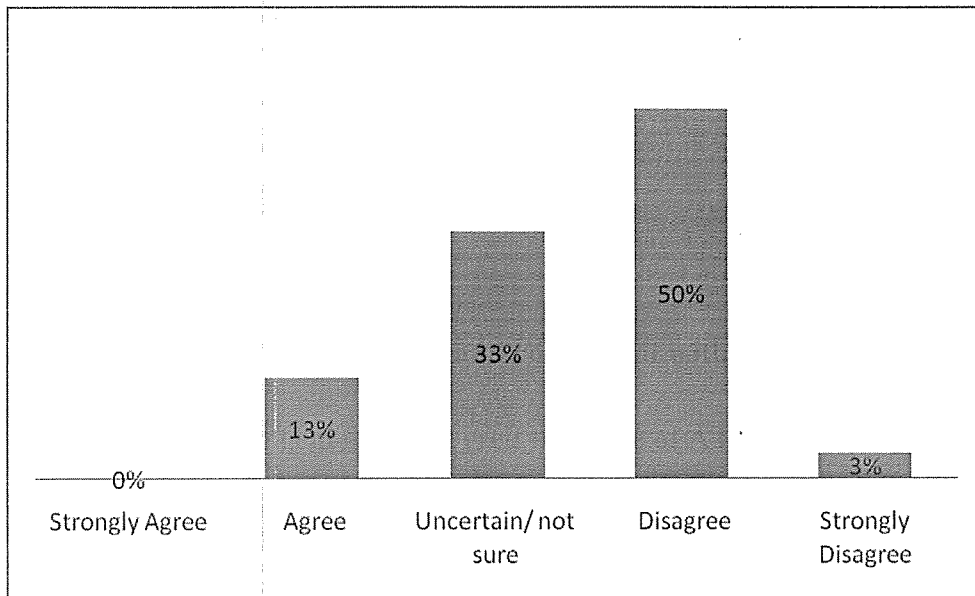
Source: Primary data

Basing on the findings majority of respondent 80% disagreed that one can deposit or withdraw money using mobile phone, 13% strongly disagreed, 3% were uncertain and 3% of the respondents agree.

### 4.3.3 Maintenance of m-banking and compare it with ATMs

#### 4.3.3 (a) M-banking is more preferred than use of ATMs

Figure 11 : shows if m-banking is more preferred than use of ATMs



Source: Primary data

The graph reveals that few 3% of the respondent strongly disagree that m-banking is more preferred to the use of ATMs, 50% disagree while 33% are uncertain and 13% agree.

Table 14: below reveals m-banking is more preferred than use of ATMs

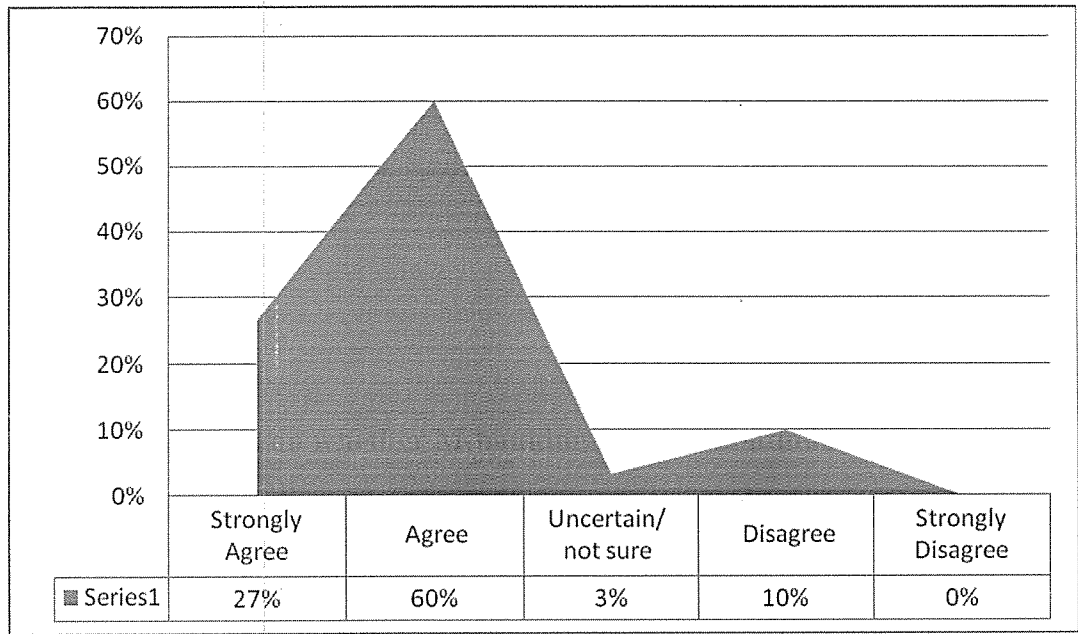
M-banking preferred	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	0	4	10	15	1	30
Percentage	0%	13%	33%	50%	3%	100%

Source: Primary data

The table reveals that few 3% of the respondent strongly disagree that m-banking is more preferred to the use of ATMs, 50% disagree while 33% are uncertain and 13% agree.

4.3.3 (b) Responses on whether M-banking requires continuous maintenance.

Figure 12: Chart showing M-banking requires continuous maintenance.



Source: Primary data

Majority of the respondent 60% agree that m-banking requires continuous maintenance, followed by 27% who strongly agree, 10% disagree, 3% are uncertain while non (0%) who strongly disagree.

Table 15: shows respondents on M-banking require continuous maintenance.

Continuous maintenance	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	8	18	1	3	0	30
Percentage	27%	60%	3%	10%	0%	100%

Source: Primary data

Majority of the respondent 60% agree that m-banking requires continuous maintenance, followed by 27% who strongly agree, 10% disagree, 3% are uncertain while non (0%) who strongly disagree.

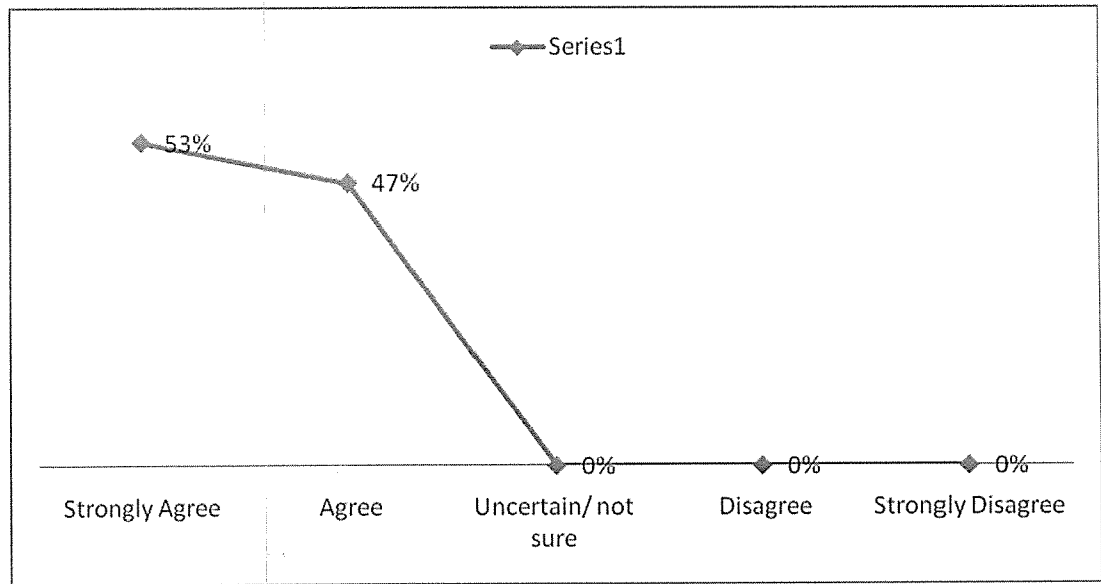
4.4.0 RESEARCH OBJECTIVE TWO:

To find out whether Bill payments have a contribution on the financial performance of Housing finance Bank. Under this objective, in order to examine use and various services provided though m-banking, the researcher focuses on; literacy of employees on m-banking, importance of M-banking, use of m-banking by employee and various services offered in m-banking.

4.4.1 Literacy of employees on m-banking and services offered

4.4.1 (a) Am mobile banking literate?

Figure 13: showing illiteracy on m-banking of respondents



Source: Primary data

The findings shows majority of the respondent 53% and 47% strongly agree and agree respectively that they are m-banking literate while no one 0% is uncertain, disagree neither strongly disagree (0%).

**Table 16: Table below shows illiteracy of respondents on m-banking**

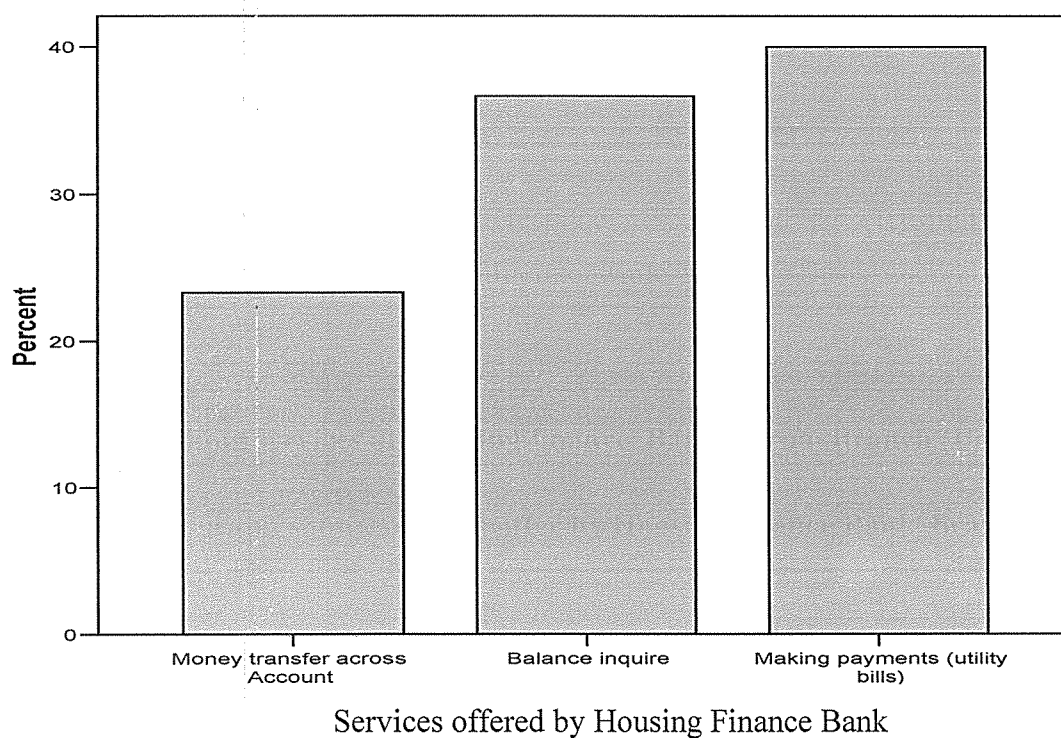
Am M-banking literate	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	16	14	0	0	0	30
Percentage	53%	47%	0%	0%	0%	100%

Source: Primary data

The findings shows majority of the respondent 53% and 47% strongly agree and agree respectively that they are m-banking literate while no one 0% is uncertain, disagree neither strongly disagree (0%).

#### 4.4.1 (b)M-banking services at Housing finance Bank Arua Branch (Uganda)

**Figure 14: this graph shows services offer by Housing finance Bank branch Arua )**





Source Primary data: From graph above, out of a total of 30 respondents the majority 12 (40.0%) were of the view that the one can make payment bills via m-banking services, 11(36.7%) and 7 (23.3%) money transfer across account. This reveals that these are the serviced offered by the bank.

**Table 17: shows services offer by Housing finance Bank (Arua branch)**

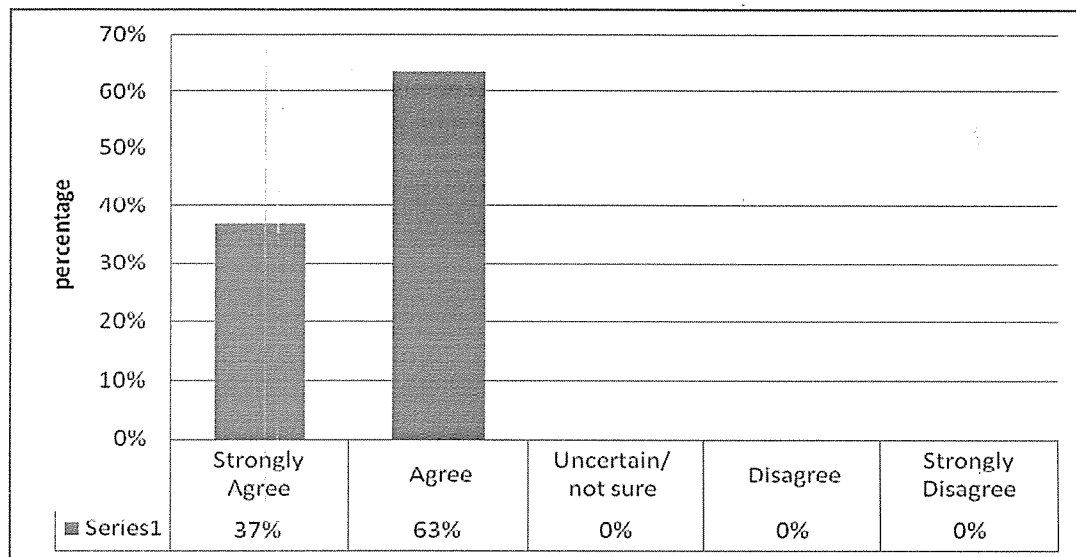
		Frequenc y	Percent	Valid Percent	Cumulativ e Percent
Valid	Money transfer across Account	7	23.3	23.3	23.3
	Balance inquire	11	36.7	36.7	60.0
	Making payments (utility bills)	12	40.0	40.0	100.0
	Total	30	100.0	100.0	

Source Primary data: From table 8 above, out of a total of 30 respondents the majority 12 (40.0%) were of the view that the one can make payment bills via m-banking services, 11(36.7%) and 7 (23.3%) money transfer across account. This reveals that these are the serviced offered by the bank.

#### 4.4.2 Importance of M-banking

##### 4.4.2 (a) M-banking is one way of coping with the ever changing customer expectations

**Figure 15: showing respondents responses**



**Source: Primary data**

The graph above shows majority of the respondent 63% agree and also 37% strongly agree that m-banking is a way of coping with the ever changing customer expectation, the uncertain, those who disagree and strongly disagree were 0% meaning that no one was uncertain, disagreed or strongly disagreed. The strength of electronic payments using the mobile phone not only save time and money but it is also largely safe Feb 20, 2011 New Vision

**Table 17;M-banking is coping with the ever changing customer expectations**

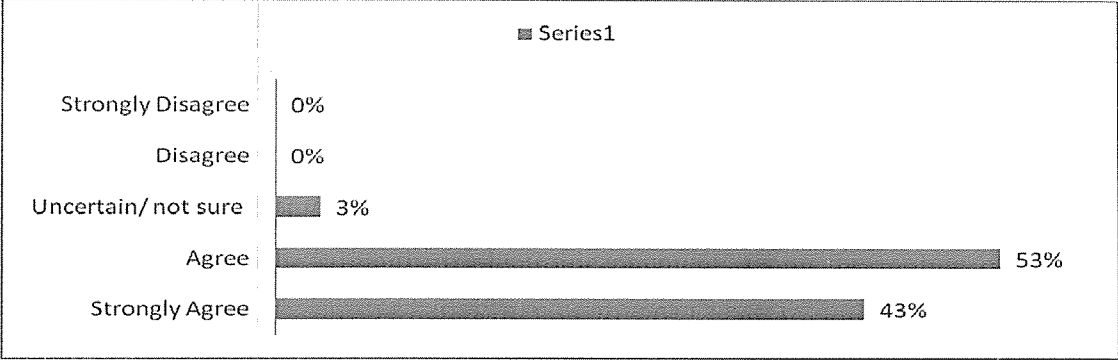
Customer expectations	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	11	19	0	0	0	30
Percentage	37%	63%	0%	0%	0%	100%

**Source: Primary data**

The table above shows majority of the respondent 63% agree and also 37% strongly agree that m-banking is a way of coping with the ever changing customer expectation, the uncertain, those who disagree and strongly disagree were 0% meaning that no one was uncertain, disagreed or strongly disagreed. The strength of electronic payments using the mobile phone not only save time and money but it is also largely safe Feb 20, 2011 New Vision

#### 4.4.2 (b) Mobile banking was introduced to gain competitive advantage

Figure 16: : graph showing m-banking was introduced to gain competitive advantage



Source: Primary data

The findings shows that in the question whether M- banking was introduced to gain competitive advantage, 53% agreed, 43% strongly agree while the remaining 3% were uncertain and no one disagreed or strongly disagreed.

Table 18: m-banking was introduced to gain competitive advantage

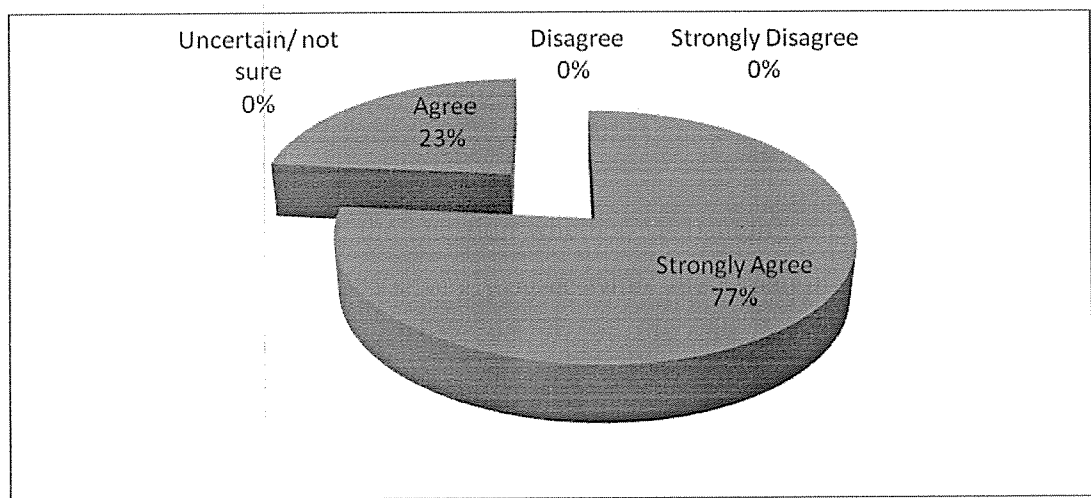
Competitive advantage	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	13	16	1	0	0	30
Percentage	43%	53%	3%	0%	0%	100%

Source: Primary data

The findings shows that in the question whether M- banking was introduced to gain competitive advantage, 53% agreed, 43% strongly agree while the remaining 3% were uncertain and no one disagreed or strongly disagreed.

4.4.2 (c) M-banking increase customer access to the banking services as well as convenience

Figure 17: graph on m-banking increase convenience to customer



Source: Primary data

The pie chart above shows majority of the respondent 77% strongly agrees, 23% also agrees that m-banking increase convenience to customer, uncertain/ not sure 0%, disagree and strongly disagree 0% each.

Table 19: showing m-banking increase convenience to customer

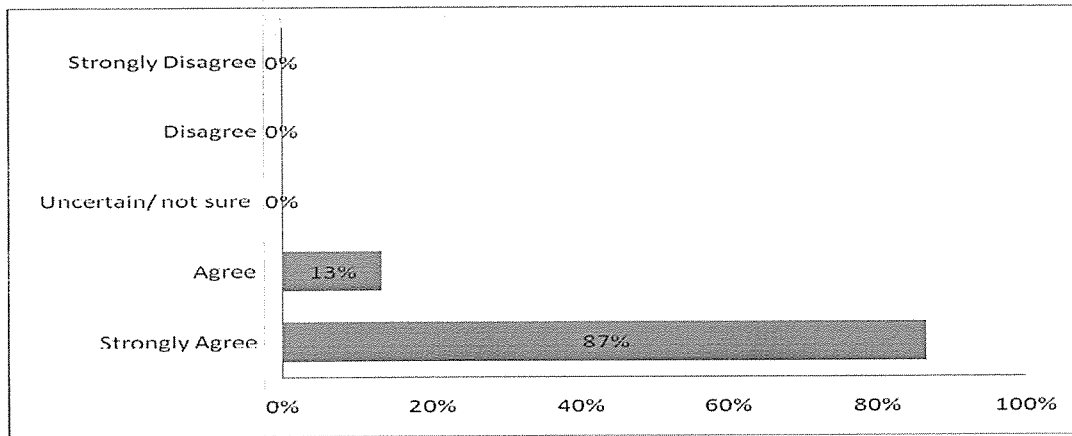
Convenience	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
	23	7	0	0	0	30
	77%	23%	0%	0%	0%	100%

Source: Primary data

The table above shows majority of the respondent 77% strongly agrees, 23% also agrees that m-banking increase convenience to customer, uncertain/ not sure 0%, disagree and strongly disagree 0% each.

#### 4.4.2 (d)The bank has the ability to keep customers Mobile banking transaction confidential

**Figure 18:: respondent on the bank keeping M-banking transaction confidential**



Source: Primary data

Majority of the respondents 87% strongly agree that m-banking transaction are kept confidential, the remaining 13% also agree, there were no respondents who were uncertain 0%, neither disagree or strongly disagree (0%).

**Table 20: table below shows M-banking transaction are kept confidential**

Transaction confidential	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	26	4	0	0	0	30
Percentage	87%	13%	0%	0%	0%	100%

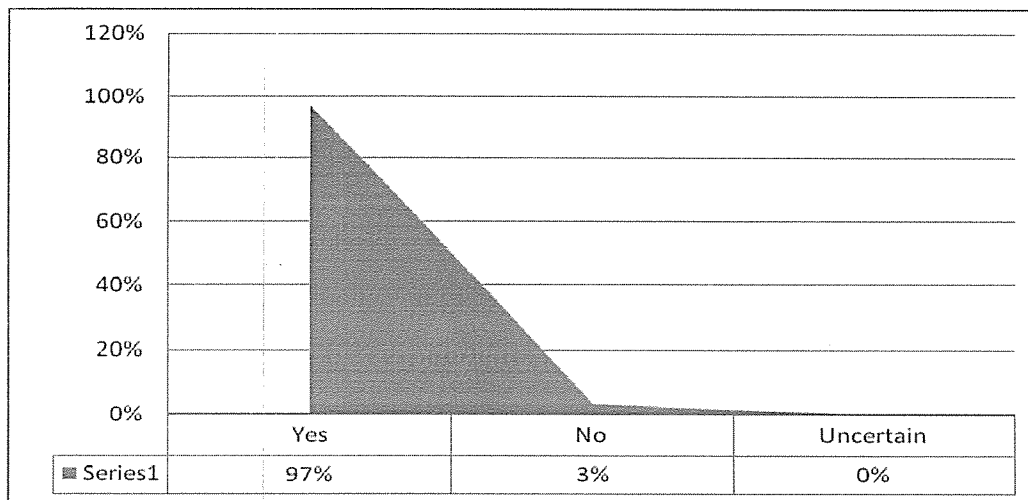
Source: Primary data

Majority of the respondents 87% strongly agree that m-banking transaction are kept confidential, the remaining 13% also agree, there were no respondents who were uncertain 0%, neither disagree or strongly disagree (0%).

#### 4.4.3 Use of m-banking by respondents (employee of the bank)

##### 4.4.3 (a) Do you use bank's mobile banking services?

**Figure 19: graph on respondent use bank's mobile banking services**



Source: Primary data

The graph above shows majority of the respondent 97% use m-banking service and 3% do not while no one was uncertain.

**Table 21: showing if respondent use bank's mobile banking services**

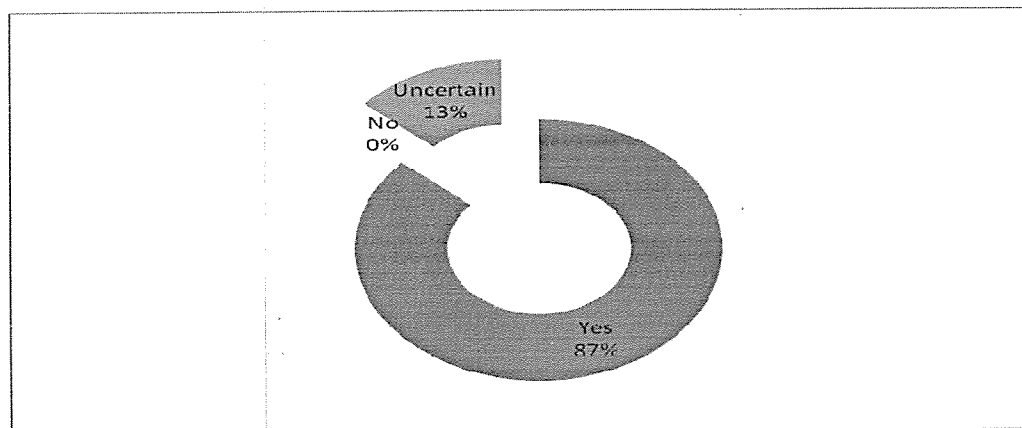
Use bank's m-banking	Frequency	Percentage
Yes	29	97%
No	1	3%
Uncertain	0	0%
Total	30	100%

Source: Primary data

The table above shows majority of the respondent 97% use m-banking service and 3% do not while no one was uncertain.

**4.4.3 (b) If you were not working in Housing finance Bank (Arua branch) would you consider using its mobile banking services?**

**Figure 20: consider using its m-banking services if not working with the Bank**



Source: Primary data

The findings reveals that majority of the respondents 87% would consider using m-banking if no working in Housing finance Bank (Arua branch) 13% were uncertain and 0% for no (that will not consider using m-banking service if not working with Housing Bank (Arua branch)

**Table 22: showing respondent using m-banking services if not working with the Bank**

Consider using m- banking		Frequency	Percentage
Yes		26	87%
No		0	0%
Uncertain		4	13%
Total		30	100%

Source: Primary data

The findings reveals that majority of the respondents 87% would consider using m-banking if no working in Housing finance Bank (Arua branch) 13% were uncertain and 0% for no (that will not consider using m-banking service if not working with Housing Bank (Arua branch)

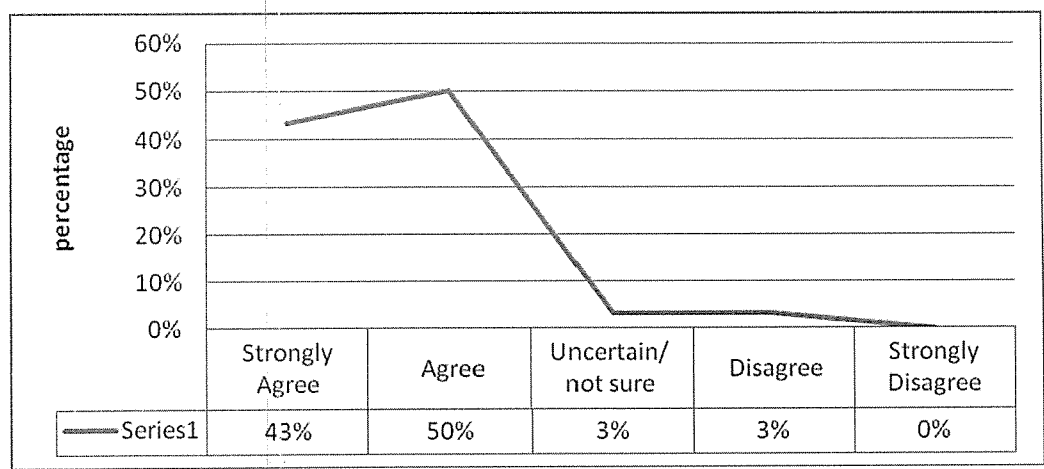
**4.5.0 RESEARCH OBJECTIVE THREE:** to establish the relationship between mobile banking and financial performance in Housing finance bank

Under this objective to establish the relationship between m-banking and financial performance of Housing finance Bank (Arua branch) the study focuses on how m-banking enables provision of quality services, impact of m-banking on financial performance.

**4.5.1 M-banking enables provision of quality services**

**4.5.1 Responses on whether M-banking enables provision of better quality services.**

**Figure 21:** graph below reveals whether M-banking enables provision of better quality services.



Source: Primary data

From the graph above reveals that majority of the respondent 50% agree m-banking enables provision of better quality services to customers by the bank, 43% strongly agrees, while both uncertain/ not sure and those who disagree 3% each, strongly disagree 0%. According to Nasikye (2009) mobile phone offer far more cost effective channels and hold great promise for making financial services reach much lower income and remote client.



**Table 23: the table below shows whether M-banking enables provision of better quality services**

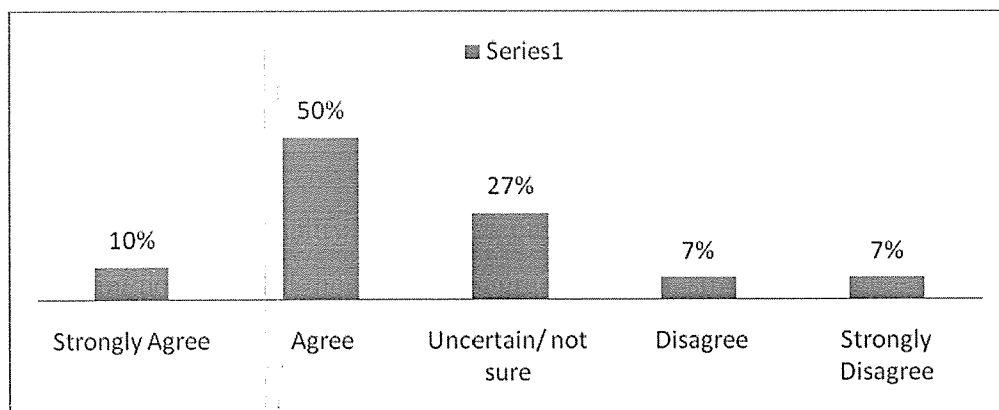
Quality services at less cost	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	13	15	1	1	0	30
Percentage	43%	50%	3%	3%	0%	100%

Source: Primary data

From the table above reveals that majority of the respondent 50% agree m-banking enables provision of better quality services to customers by the bank, 43% strongly agrees, while both uncertain/ not sure and those who disagree 3% each, strongly disagree 0%. According to Nasikye (2009) mobile phone offer far more cost effective channels and hold great promise for making financial services reach much lower income and remote client.

#### 4.5.2 Loss of data due to system failure is a risk to m-banking.

**Figure 22: graph shows Loss of data due to system failure is a risk to m-banking**



Source: Primary data

From the findings on whether loss of data due to system failure can be a risk to m-banking 10% of the respondent strongly agreed, 50% agreed, 27% were uncertain, those who disagreed were 7% and those who strongly disagreed were 7%.

**Table 24: below showing loss of data due to system failure is a risk to m-banking**

Loss of data is a risk to m-banking	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	3	15	8	2	2	30
Percentage	10%	50%	27%	7%	7%	100%

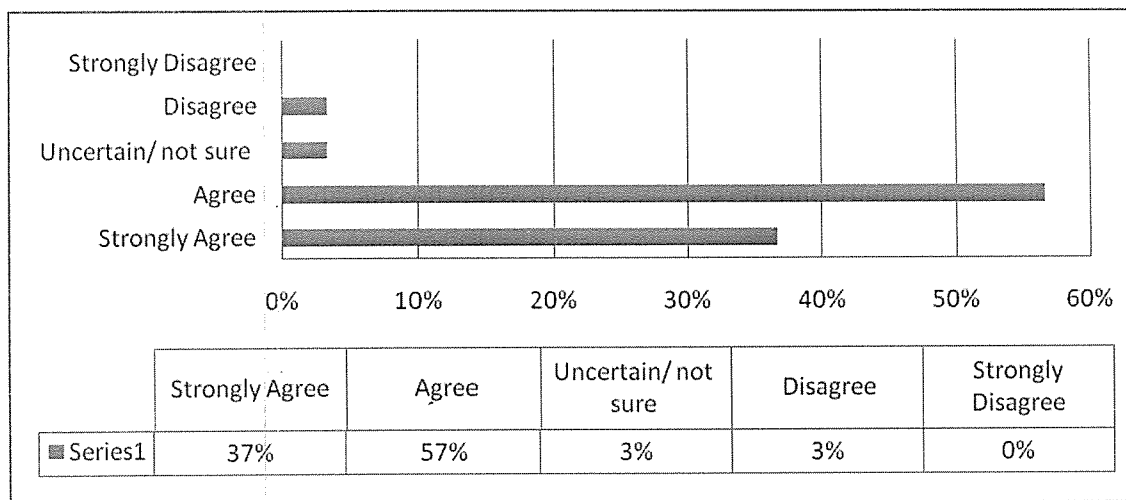
Source: Primary data

From the findings on whether loss of data due to system failure can be a risk to m-banking 10% of the respondent strongly agreed, 50% agreed, 27% were uncertain, those who disagreed were 7% and those who strongly disagreed were 7%.

#### 4.5.2 Impact of m-banking on financial performance.

#### 4.5.3 Responses on whether m-banking has led to increase in financial performance.

**Figure 23: graph shows m-banking has led to increase in financial performance**



Source:

Primary data

From the graph above reveals that majority of the respondent agrees and strongly agrees 57% and 37% respectively whether m-banking has led to improvement in the financial performance, 3% disagreed and also 3% uncertain/ not sure.

**Table 25: the table below reveals, m-banking has led to increase in financial performance**

Increase financial performance	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree	Total
Frequency	11	17	1	1	0	30
Percentage	37%	57%	3%	3%	0%	100%

Source: Primary data

From the table above reveals that majority of the respondent agrees and strongly agrees 57% and 37% respectively whether m-banking has led to improvement in the financial performance, 3% disagreed and also 3% uncertain/ not sure.

#### 4.5.3 Relationship of m-banking and financial performance

**Table 26: Below shows Relationship of m-banking and financial performance**

		financial performance of Housing finance Bank (Arua branch)	Mobile banking service that has/have helped the bank to record a good performance
financial performance of Housing finance Bank( Arua Branch)	Pearson Correlation	1	.326
	Sig. (2-tailed)	.	.079
	N	30	30
Mobile banking service that has/have helped the bank to record a good performance	Pearson Correlation	.326	1
	Sig. (2-tailed)	.079	.
	N	30	30

From table 26 above reject the null hypothesis and use  $H_1$  which states that there is a statistically significant relationship between mobile banking and financial performance based on Sig (.079). The relationship is positive based on Pearson correlation (.326).

#### **4.6 Conclusion**

The introductions of m-banking by banks give the low cost of interbank Link has enable the bank to provide services (E-payments, balance inquiry, money transfer across accounts, buying air time) which are not only appealing to customers but are convenience. This has help the bank to remain competitive in the banking industry because of the low cost of serving its customers even across borders hence improving its financial performance.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.0 Introduction**

This chapter presents; The summary of findings under bio data information, each objective, Conclusion and recommendations relevant to m-banking and attempt to analyze whether the introduction of M-banking has improved on the banks financial position and area of further study. Conclusions are the researcher's opinions depending on the outcome from the data analyzed as per the objectives of the study.

Recommendations are the way forward resulting from conclusions and are very vital for policy making. Objectives;

- i. To evaluate how the m-banking technology work at Arua Branch
- ii. To examine the use of mobile banking and various services provided through mobile banking at Housing Finance Bank Uganda
- iii. To establish the relationship between m-banking and its effect on financial performance of Housing Finance Bank Arua branch

#### **5.1 Bio data information (Findings)**

The researcher focuses on gender of respondent, age Bracket (in years), marital Status, education level attained, department and work experience of the respondent

##### **5.1.1 Gender of respondent**

The findings shows that 53% of the respondents were male while the female respondents 47%. This reveals that there is no gender discrimination on the employees of the bank.

### **5.1.2 Age bracket of respondent**

Majority of the respondents 57% were in the age bracket of 18-30years, 40% were aged between 31-50years old, only 3% of the respondent in the bracket of 51-60 years old and none were above 60 years of age. This means that employees of the bank are still productive (young and skilled) to handle the changing technology of M-banking.

### **5.1.3 Marital Status of respondent**

Majority of the respondent or employee working with the bank were married 50%, the single were 37% while others which may include divorced or separated were 13%. Married people sometime tend to have a lot of responsibility and some difficulties to balance work and family while the single employee may have more commitments at work leading to high output.

### **5.1.4 Education level of respondent**

Out of a total of 30 respondents the majority 23 (76.7%) were degree holders followed by masters 7 (23.3%) no diploma or certificate holders work with the bank. This means that employees of the bank are skilled or can be easy be trained to handle the changing technology of M-banking.

### **5.1.5 Period worked with the bank by respondent**

From table 6, out of a total of 30 respondents few employees 1 (3.3%) have worked for less than 1 year, 36.7% for a period of 1-2 years, 33.3% worked for a period of 3-4 years and 26.7% for more than 4 years.. This means that the bank has a capability of retaining majority of its employees who are skilled and with experience to deal with m-banking or employees are comfortable with the bank technology.

### **5.1.6 Department of respondent**

Respondents from different IT department, accounts department and other department were 27%, 40% and 33% respectively. This shows that the study response is dominated by accountants who monitor the financial performance of the bank as the table and pie chart above reveals

## **5.2 Summary of findings**

### **Objective one**

#### **5.2.1 To study/ evaluate how the mobile banking technologies work at Housing finance Bank Arua branch)**

#### **5.2.2 Accessibility of the services, Understandability of the technology**

The analysis shows that the entire respondents (100%) agreed that one need to register with the bank to get access to m-banking services hence uncertain and not necessary with 0% each. Also majority of the respondents (63%) strongly agree that M-banking services can be access any time 24 hours while 37% agree. No respondent disagree, strongly disagree or were not sure hence.

#### **5.2.3 Functions of the services**

majority of the respondent 87% strongly agree that payment of utility bills can be made using m-banking technology and the remaining 13% also agree while non of the respondents disagree, strongly disagree or is uncertain (0%). Basing on the findings majority of respondent 80% disagreed that one can deposit or withdraw money using mobile phone, 13% strongly disagreed, 3% were uncertain and 3% of the respondent agree.

#### **5.2.4 Maintenance of m-banking and compare it with ATMs**

The findings reveals that few 3% of the respondent strongly disagree that m-banking is more preferred to the use of ATMs, 50% disagree while 33% are uncertain and 13% agree. On the other hand majority of the respondent 60% agree that m-banking requires continuous

maintenance, followed by 27% who strongly agree, 10% disagree, 3% are uncertain while non (0%) who strongly disagree.

#### **5.2.5 Conclusion on objective one**

It was revealed that m-banking service can be accessed any time 24 hours where one need to register with the bank to access m-banking services provided by Housing finance Bank (Arua branch) and should maintain an account with the bank and also with the mobile service provider. Majority of the respondents agreed that payment of bills can be made through m-banking technology and that the system require continuous maintenance although respondent disagreed on deposit and withdraw of money using mobile phone. Majority of the respondents agreed that m-banking is not complicated and that it is easy to understand but is less preferred to the use of ATMs machines.

#### **Objective Two**

#### **5.3.0 To examine the use of mobile banking and various services provided through mobile banking at Housing finance Bank Uganda.**

##### **5.3.1 Literacy of employees on m-banking,**

The findings shows majority of the respondents 53% and 47% strongly agree and agree respectively that they are m-banking literate while no one 0% is uncertain, disagree neither strongly disagree (0%).

##### **5.3.2 Use of m-banking by employee and various services offered in m-banking**

The findings reveals that majority of the respondents 87% would consider using m-banking if no working in Housing finance Bank (Arua branch ) 13% were uncertain and 0% for no (that will not consider using m-banking service if not working with Housing finance bank (Arua branch). The graph and table above shows majority of the respondent 97% use m-banking service and 3% do not while no one was uncertain.



### **5.3.3 Importance of M-banking**

majority of the respondent 63% agree and also 37% strongly agree that m-banking is a way of coping with the ever changing customer expectation, the uncertain, those who disagree and strongly disagree were 0% meaning that no one was uncertain, disagreed or strongly disagreed. The findings shows that in the question whether M- banking was introduced to gain competitive advantage, 53% agreed, 43% strongly agree while the remaining 3% were uncertain and no one disagreed or strongly disagreed.

### **5.3.4 Conclusion on objective two**

Majority of the respondents were m-banking literate and that they use the m-banking service provided by the bank and also they would consider using m-banking service even if they were not working with the bank.

The bank had services such as money transfer across accounts, balance inquiry, making payments (utility bills), phone banking and buying airtime which according to the response, strongly agrees that the bank has the ability to keep customers transaction secure and confidential. Majority of the respondent agreed that m-banking is one way of coping with the changing customer expectations since it

### **Objective three**

#### **5.4.0 To establish the relationship between m-banking and financial performance (Housing finance Bank Arua branch)**

##### **5.4.1 How m-baking enables provision of quality services,**

From the table and graph above reveals that majority of the respondent 50% agree m-banking enables provision of better quality services to customers by the bank, 43% strongly agrees, while both uncertain/ not sure and those who disagree 3% each, strongly disagree 0%.

From the findings on whether loss of data due to system failure can be a risk to m-banking 10% of the respondent strongly agreed, 50% agreed, 27% were uncertain, those who disagreed were 7% and those who strongly disagreed were 7%.

#### **5.4.2 Positive effects of m-banking on financial performance**

From the table and graph above reveals that majority of the respondent agrees and strongly agrees 57% and 37% respectively whether m-banking has led to improvement in the financial performance, 3% uncertain and also 3% not sure. According to Nasikye (2009) mobile phone offer far more cost effective channels and hold great promise for making financial services reach much lower income and remote client

#### **5.4.3 Conclusion on objective three**

Majority of the respondents reported that m-banking enables provision of quality services at less cost, loss of data due to system failure is a risk to m-banking while

The system has led to a positive effect (increase) in the financial performance of the bank. The service offered or forms of m-banking in Housing Finance Bank (Arua branch ) have helped the bank to record a good performance. This is revealing that m-banking is significant related to financial performance that is determined by a number of factors such as customer satisfaction.

#### **5.5 Overall Conclusion**

From the findings of the study; it can be inferred that the introduction of m-banking has contributed positively to the financial performances of banks in the industry.

The service of m-banking in Housing finance bank Uganda (balance inquiry, payment of bill, transfer of money across account) among others which has made things simple for its customers hence they are convenience and this has increased the level of transactions and customer loyalty to the bank. To access m-banking service one need to register with the bank at any nearest branch.

## **5.6 Recommendations**

Basing on the study finding, the following recommendations are forwarded;

The bank should conduct research on other possible m-banking packages that are user friendly and develop them such as deposit/withdraw of money using mobile phone which will meet different customer requirements and capture market niches that competitors have not identified hence expand on the market share leading to improved financial performance.

Free training and refreshing training should be provided to staff of the bank and if possible to customers to equip them with skills in the ever changing technology. The bank should provide toll free line to enable customers who want to use the system and also in case of any problem that deserve attention of the bank.

## **5.7 Area of further study**

Further study should be done on the growth of m-banking in the dynamic financial sector in Uganda. This will help to find out the growth of m-banking into the banking sector in Uganda

M-banking and local population in the changing financial sector in Uganda, this will help establish how the local population or users of financial services have reacted towards the introduction of m-banking into the banking sector in Uganda.

How money transfer and mobile banking for the telecom companies like MTN mobile money, Warid (warid-pesa), Airtel-money and others have affected commercial banks in Uganda

Retail banks which refer to convention banks that offer services to individual from the public and their contribution to customer satisfaction and the performance of the commercial banks.

Research should also be carried out on how m-banking improve customer satisfaction. As banks have carried out innovation on m-banking in order to achieve competitive advantage, control costs, attract new customers, meeting the convenience of customers, little is known about the influence of m-banking on the level of customer satisfaction.

## REFERENCES

1. A bor. J 2005 technological innovation and banking in Ghana
2. Africa-Uganda-Business-Travel-Guide.com
3. Anguelor, C.E Higert, M.A and Hogarth J.M (2004) US consumer and electronic bank 1995-2003.
4. Oryiek Edward (2008) contribution of electronic banking to the effective performance
5. Mugembe.D (2008) Electronic banking and effective financial performance
6. Nyaoke, William (2008), International Finance Corporation
7. Arch A.M.J and Burmeister, O.K (2003) e-banking technologies. . ITD Journal
8. Financial Institution Act (1993)
9. Edith M. Lederer 2006 Association Press
10. The financial institutions act, 2004.
11. [http://en.wikipedia.org/wiki/Banking\\_in\\_Uganda](http://en.wikipedia.org/wiki/Banking_in_Uganda)
12. [http://www.bou.or.ug/bou/media/statements/BoU\\_licenses\\_two\\_new\\_commercial\\_banks.html](http://www.bou.or.ug/bou/media/statements/BoU_licenses_two_new_commercial_banks.html)
13. Abunyang Emmanuel (2007) Mobile Banking in Developing Countries: Secure Framework for Delivery of SMS-banking Services
14. ACCA. (2005).Preparing financial statements.london; foulks lynch
15. Michael Landau Demonstrates Mobile Banking in Uganda
16. CGAP (2008), Focus Note, Banking on Mobiles – Why, How, for Whom?
17. <http://www.standardchartered.com/ug/personal-banking/services/m-banking/en/>
18. CGAP (2006), Mobile Phone Banking and Low-Income Customers Evidence from South Africa
19. BBC News 28 May 2010
20. <http://www.mtn.co.ug/About-MTN/News-Room/2010/August/MTN-and-PostBank-Uganda-Ltd-an.aspx> (MTN Press Box Release date:8/12/2010)
21. . [www.mobileaware.com](http://www.mobileaware.com)
22. Namirembe (2007) influence of Ict on the banking industry: the case of kampala
23. Sida (2007), The innovative use of mobile applications in the Philippines lessons for Africa

24. World Wide Worx (2007), Mobility 2007, Cellphone banking grows up, (report summary)
25. Wright, Biancha (October 2005), SA Computer Magazine, Cellphone banking Reinvented
26. Porteous D. with Wish art N. (2006), "M-banking: A knowledge map" Commissioned by infoDev and DFID
27. <http://www.africa-uganda-business-travel-guide.com/standard-chartered-bank-uganda-announces-35-percent-profit-increase.html>
28. Dr. Lennart, Söderberg (2008) mobile banking –financial services for the unbanked?
29. Porteous D. (2007), Just how transformational is m-banking?, Commissioned by Fin mark
30. Porteous, D. (2008), Is m-banking advancing access to basic financial services in South Africa? Commissioned by Fin mark Trust and Bankable Frontier Associates
31. Safaricom (2008), Press Release, Feb. 10th 2008
32. Nasikye (2009) A frame work for mobile banking in Uganda
33. S. Dean, Telecommunication/ ICT market and trends in Africa
34. D. porteous "the enabling environment for mobile banking in Africa" 2006
35. Nafula J. (2006 march 31) Business. Daily monitor Pg19
36. <http://www.ugpulse.com/uganda-news/business/standard-chartered-bank-upholds-performance/11146.aspx>
37. USA: Federal Reserve Bulletin Anguelov, C. E., Higert, M.A. and Hogarth, J. M. (2004). US consumers and electronic bank, 1995-2003.}.
38. Banking sector liberalization in Uganda- Kavaljit Singh (Madhyam), Myriam Vander Stichele (SOMO) (2010)

## APPENDIX A

### QUESTIONNAIRE FOR STAFF HOUSING FINANCE BANK (UGANDA)

Dear Sir/Madam

I am a student of Kampala International University carrying out a research on “mobile banking and performance of financial institutions in Uganda”. The individual responses will be treated with utmost confidentiality and will be for academic purposes only in fulfillment of my research project. I humbly request to take some of your time to fill this questionnaire. Your assistance will be of great value in the success of this research study. Thank you in advance.

#### SECTION A

**Background information (Please use a tick in the space ☒ provided)**

**1. Gender/Sex**

Female ☐

Male ☐

**2. Age Bracket (in years)**

18-30 ☐

31-50 ☐

51-60 ☐

Above 60 ☐

**3. Marital Status**

Married ☐

Single ☐

Others ☐

4. Level of Education you have attained

Master's

Degree

Diploma

Certificate

5. For how long have you been working in Housing Finance Bank (Uganda)?

Less than 1 year

1-2 years

3-4 year

More than 4 years

6. Position Held (department) .....

**SECTION B MOBILE BANKING (Please use a tick in the space ☒ provided)**

**The following statements are intended to evaluate how bill payments contribute to financial performance of Housing finance Bank (Uganda)**

	Questions	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree
7.	One can access mobile banking services any time 24 hours?					
8.	One can deposit or withdraw money using the mobile phone					

9.	M-banking technology requires continuous maintenance and system checks					
10.	Mobile banking is more preferred to use of ATMs machine					
11.	Payment of bills can be made through M-banking technology					
12.	Mobile banking is not a complicated as people may think, is easy to understand					

13. One needs to register with the bank to access these services?

Yes ☐

No is not necessary ☐

Uncertain ☐

14. In M-banking one (customer) should maintain an account with the;

Bank ☐

Mobile service providers ☐

Both ☐

Uncertain ☐

(Bank and Mobile service providers)



## SECTION C

The following statements are intended to examine the role of mobile SMS on the financial performance of Housing Finance Bank (Uganda).

	Question	Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree
15.	Am Mobile banking literate					
16.	M-banking is one way of coping with the ever changing customer expectations					
17.	Mobile banking was introduced to gain competitive					
18.	Mobile banking increase customer access to the banking services as well as Convenience					
19.	The bank has the ability to keep customers Mobile banking transaction confidential					

20. Do you use bank's mobile banking services?

Yes ☐

No ☐

Uncertain ☐

21. If you were not working in Housing finance Bank (Uganda), would you consider using its mobile banking services?

Yes ☐

No ☐

Uncertain ☐

22. Briefly state the strength, weakness, opportunities and threats of the Mobile Banking services of Housing Finance Bank (Uganda)

A) Strength.....

.....

B)Weakness

.....

.....

C)Opportunities.....

.....

.....

D) Threats .....

.....

23. Services offered by Housing Finance Bank (Uganda) through M-banking include;

Others (name them please)

Money transfer across Account ☐ .....

Balance inquire ☐ .....

Making payments (utility bills) ☐ .....

Depositing &Withdrawing ☐ .....

24.Comment on the M-banking and the financial performance of Housing finance Bank (Uganda)

.....

.....

.....

## SECTION D

### MOBILE BANKING AND PERFORMANCE OF FINANCIAL INSTITUTIONS

		Strongly Agree	Agree	Uncertain/ not sure	Disagree	Strongly Disagree
25.	Mobile banking enables the bank to provide better quality services at less cost					
26.	Loss of data due to system failure is a risk to mobile Banking					
27.	Mobile banking has led to increase in the financial performance of the bank					

28. What particular Mobile banking service has/have helped the bank to record a good performance?

.....

.....

## SECTION E

The following statements are to evaluate the importance of electronic funds transfer on the financial performance of Housing finance Bank.

		Strongly Agree	Agree	Uncertain/not sure	Disagree	Strongly disagree
29.						
30.	Mobile banking enables the bank to provide better quality services at less cost					

31.	Payment of bills can be made through M-banking technology					
32.	Electronic fund transfer reduces customer time wasted while making long quiz for banking services					

In your opinion, do you think there is any contribution made by mobile banking to the financial performance of your company?

.....

.....

.....

If yes, is the contribution positive or negative?

.....

.....

**Thank you, may the good lord award you positively**