

**EFFECT OF E-COMMERCE ON FINANCIAL PERFORMANCE OF  
COMMERCIAL BANKS IN KENYA (A CASE OF EQUITYBANK)**

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## ABSTRACT

The role of information technology (IT) on efficiency and cost reductions in the banking sector is paramount to the successful and profitable service delivery in the sector. The objective of the study was to determine the effect of E-commerce on financial performance of commercial banks in Nairobi County. The study adopted a causal research methodology. The population was commercial banks in Nairobi County focusing on Equity bank as a case and the sample was sixty employees. The study noted that there is increased number of the international business companies transacting using E-banking and the rise in the volume of transaction are indications that there was an apprehensive acquisition and operation at international level of the E-banking services within the commercial banks in Kenya. The costs of providing banks using E-banking channels when compared with tradition methods had greatly reduced which indicates the positive impact due to the use of E-banking in the commercial banks operations in Kenya.

The focus of this study was on the E-banking services ; identifying its effects on the commercial banks in Kenya on promoting international business while establishing how its adverse effects are mitigated. To a level of customer satisfaction, convenience, personalized service, efficiency, cost-benefit analyses, and communication on complaints have been identified as factors which have been improved due to the use of E-banking.