

**EFFECTS OF ELECTRONIC TRANSFERS ON THE  
FINANCIAL PERFORMANCE OF COMMERCIAL BANKS**

**(A CASE OF EQUITY BANK)**

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## ABSTRACT

Electronic transfer is the provision of banking services using the electronic platforms. In keeping with the advancement in technology, commercial banks have in the recent past undergone major technological leaps in the provision of banking services by adoption of electronic transfers is particularly useful in providing efficiency and accessibility of banking services without the barriers of location and time. Not many studies have been carried out in Kenyan Banking sector in respect of the impact of electronic transfers on financial performance of commercial banks. This research has studied the relationship between electronic transfers and performance of commercial banks in Kenya. Electronic transfer indicators which have been studied in the research have included speed of service, accessibility, transaction cost and efficiency while banks' financial performance has been measured in terms of profitability. Various forms of electronic transfers such as mobile withdrawals, mobile transfers, mobile payments, mobile deposits and mobile information inquiry have also been studied. The setting of this study was in Nairobi city where banks operating in the town were studied. To attain this, the banks perceptions and attitudes towards electronic transfers, and its effects on financial performance were assessed by administering questionnaires to bank officials. Various journal articles, print media articles, and books were reviewed to provide findings of previous work on the area of study. This study was a correlation in nature as it was to establish the relationship among the variables. A structured questionnaire was used to collect data. Simple regression analysis was used in measuring relationships among the variables under study. The findings of this research were to be useful to bank management and other stakeholders as well as researchers in the area of electronic transfers.