

THE ROLE OF TECHNOLOGY BASED BANKING ON FINANCIAL PERFORMANCE  
OF COMMERCIAL BANKS IN NAIROBI CITY, KENYA

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## ABSTRACT

The need to use and investment in technology by commercial banks has been there in the Kenyan market but there is a paucity of studies quantifying the extent benefits of technology financially or otherwise. This study sought to establish the effect of technology based banking on financial performance of commercial banks in Nairobi. The study targeted well capitalized banks to enable collection of reliable data. The study objectives were the effects of the following technology banking platforms on the financial performance: mobile banking, agency banking, ATM and internet banking. The performance of commercial banks was evaluated from the indicators of accumulation of customer deposits, revenues and growth of loan book. The study used descriptive design to describe the phenomenon of technology banking. The target population was twelve commercial banks. Simple random and purposive sampling techniques was be used to settle on a sample of 48 respondents. Questionnaires and secondary data collection sheets were used to collect data. The study had two levels of analysis namely: descriptive analysis through the use of SPSS and multiple regression analysis to indicate the extent of the influence of each of the independent variables on the dependent variable.