**AGENCY BANKING AND FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN UGANDA: A CASE STUDY OF CENTENARY BANK**

**BY**

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**Introduction**

The study is about the agency banking and financial performance of commercial banks in Uganda, using a case study of Centenary Bank. Agency banking is a segment of electronic banking where selected agents are allowed to provide selected financial services for the banks through contractual agreement. Financial Performance in broader sense refers to the degree to which financial objectives being or has been accomplished and is an important aspect of finance risk management (Eshna, 2019).

**Study objectives**

1. To establish whether agency banking regulations and procedures are complied with to enhance financial performance of Centenary Bank.
2. To establish whether accessibility to financial services improves financial performance of Centenary Bank.
3. To examine whether challenges associated with adoption of agency banking affects financial performance of centenary Bank.

**Study methodology**

The study used a target population of 110 Centenary Bank staff, agency clients and customers. A sample of 86 respondents was selected using Neumann's formula (2000). A descriptive research design was employed and both quantitative and qualitative approaches of data collection were used. The study also used questionnaires, interviews and documentary reviews to gather data from the field.

**Study findings**

The study findings revealed that that there is a significant and positive relationship between agency banking and financial performance of Centenary Bank. It was discovered that, Agency Banking Regulations and Procedures (r=0.889, P<0.005), Accessibility to Finance (r=0.891, P<0.005); Banking Agency Challenges (r=890, <0.005); this indicates that challenges associated with agency banking affect financial performance in the bank.

**Study recommendations**

The study recommends that Central Bank should consider coming with a clear agency banking regulatory policy which creates a universal platform for all banking institutions. Security measures should be highly emphasized on the agents by the parent banks in order to increase their volumes and value.

**References**

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