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DIGITAL FINANCIAL SERVICES AND THE FINANCIAL PERFORMANCE OF INVESTMENT COMPANIES LISTED AT THE NAIROBI SECURITIES EXCHANGE, KENYA

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ABSTRACT

This study examined the effect of mobile banking services and agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange (NSE), Kenya. The study was guided by the Technology Acceptance Model and Transaction Cost Theory. An explanatory research design and quantitative approach based on secondary data were adopted. The target population comprised five investment companies listed at the NSE, and the study covered a ten-year period from 2016 to 2025, resulting in a maximum of 50 company-year observations. Annual data were obtained from the companies' audited financial statements. The study employed descriptive statistics, correlation analysis and panel regression analysis to examine the relationship between mobile banking services, agency banking services and financial performance, measured using Return on Assets (ROA). The study sought to establish the contribution of mobile banking and agency banking services to the financial performance of listed investment companies in Kenya.

Keywords: Mobile banking services, agency banking services, financial performance, investment companies, Nairobi Securities Exchange.

Background of the Study

Investment companies are financial institutions that pool funds from individuals and institutional investors and invest in financial assets such as shares, bonds, securities and other investment opportunities to generate returns through income and capital appreciation. Investment companies listed at the Nairobi Securities Exchange (NSE) play an important role in promoting economic growth by mobilizing financial resources and channeling them into productive investment opportunities (Muhia, Ogada & Muriithi, 2025). Through investments in sectors such as real estate, financial services, manufacturing, energy and infrastructure, these companies support business expansion, employment creation and wealth generation. They also provide investors with opportunities to participate in diversified investment portfolios and benefit from dividends and capital appreciation (Mwashumbe, Agong & Kimani, 2025).

Investment companies further contribute to the development of Kenya's capital markets by providing investment opportunities, improving market liquidity and encouraging public participation in share ownership. Through listing at the NSE, they enable investors to buy and sell shares, thereby facilitating capital formation and strengthening investor confidence (Tache, Kimani & Nduruhu, 2026). According to the Kenya National Bureau of Statistics (KNBS) Economic Survey 2025, the total market capitalization of the NSE increased by 34.8% from KSh 1.439 trillion in 2023 to KSh 1.9397 trillion in 2024, while the value of shares traded increased from KSh 88.2 billion to KSh 106 billion. These developments demonstrate the importance of an active securities market in facilitating investment and supporting the growth of listed companies (Abdi, Kimani & Matanda, 2026). The Capital Markets Authority (CMA) further reported that assets under management by collective investment schemes reached KSh 389.2 billion by December 2024, reflecting the growing significance of professionally managed investments in Kenya (Muhia, Ogada & Muriithi, 2025).

Digital financial services refer to the delivery of financial products and services through electronic platforms and digital technologies that enable individuals and organizations to access, manage, transfer and receive funds (Khan & Khan, 2020). These services rely on digital networks and financial technologies to facilitate transactions, improve accessibility, enhance operational efficiency and reduce the costs associated with financial service delivery (Veluthedan & Kiran, 2024). Mobile banking services involve the provision of banking services through mobile devices, allowing users to access accounts, monitor balances, transfer funds and manage financial transactions remotely (Sumarta, Prabowo & Saputro, 2022). Agency banking services involve the delivery of banking services through authorized third-party agents who operate on behalf of financial institutions, enabling customers to access selected banking services without visiting conventional bank branches (Yuan, Puah & Awang, 2025).

Mobile banking and agency banking provide digital channels through which financial services can be accessed and transactions conducted more conveniently. Their adoption may enhance accessibility, facilitate financial transactions and improve operational efficiency. This study therefore examines the effect of mobile banking services and agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya.

Statement of the Problem

Financial performance is a critical measure of organizational sustainability, profitability and the effective utilization of resources. Organizations have increasingly adopted digital financial services to improve operational efficiency, enhance service accessibility, reduce transaction costs and strengthen revenue generation. Mobile banking and agency banking services have transformed financial service delivery by facilitating faster and more convenient transactions. Despite these developments, the adoption of digital financial services does not automatically

translate into improved financial performance. Organizations continue to incur substantial costs associated with technological infrastructure, system maintenance, cybersecurity, digital platform upgrades and regulatory compliance. Consequently, the extent to which mobile banking and agency banking services contribute to improved profitability and asset utilization remains an important empirical concern (CMA, 2025; KNBS, 2024).

In Kenya, the adoption and utilization of digital financial services have expanded considerably over the years. According to the Central Bank of Kenya (CBK, 2024), the average monthly value of mobile money transactions increased from KSh 662.8 billion in 2023 to KSh 724.8 billion in 2024, representing an increase of approximately 9.4%. The average monthly transaction volume also increased from 202 million to 223.5 million transactions over the same period. Furthermore, the number of active mobile money agents increased by 16.5%, from 327,162 in 2023 to 381,116 in 2024, while mobile money subscriptions increased from 38.0 million in 2023 to 42.3 million in 2024 (CBK, 2024). These statistics demonstrate the increasing integration of digital financial services into the Kenyan economy. However, the expansion of digital transactions at the national level does not establish whether individual investment companies are translating mobile banking and agency banking adoption into improved financial performance.

Despite the growing adoption of digital financial services, concerns regarding the financial performance of investment companies persist. For instance, Centum Investment Company Plc recorded a decline in group profits from KSh 2.6 billion in the 2024 financial year to KSh 0.8 billion in 2025, representing a decline of approximately 68.8% (Cytonn Investments, 2025). Similarly, Olympia Capital Holdings Limited reported a decline in profit after tax from KSh 35.2 million in 2024 to KSh 17.6 million in 2025, representing a reduction of approximately 50% (Olympia Capital Holdings Limited, 2025). These financial outcomes raise concerns regarding the ability of investment companies to sustain profitability and effectively utilize their asset bases amid changing financial service delivery technologies. Although the companies operate in different business segments, the reported declines demonstrate that financial performance remains a concern requiring further investigation.

Empirically, existing studies on digital financial services have largely concentrated on commercial banks, microfinance institutions and other financial service providers, with comparatively limited attention to investment companies. Furthermore, findings from studies conducted in banking institutions may not necessarily explain the relationship between digital financial services and financial performance in investment companies because of differences in business models, operational structures and revenue-generation mechanisms. There is therefore an empirical and contextual gap regarding how mobile banking services and agency banking services influence financial performance, particularly when measured through Return on Assets (ROA). This study therefore examined the effect of mobile banking services and agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya, using secondary data from audited financial statements and annual reports covering the period 2016–2025.

Objectives of the Study

The general objective of the study was to examine the effect of mobile banking services and agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya.

The study was guided by the following specific objectives:

i. To examine the effect of mobile banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya.

ii. To assess the effect of agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya.

Research Questions

1. What is the effect of mobile banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya?
2. What is the effect of agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya?

LITERATURE REVIEW

Theoretical Review

Technology Acceptance Model

The Technology Acceptance Model (TAM) was developed by Davis (1989) to explain how individuals accept and use information technology (Sharma, 2023). The theory proposes that technology adoption is primarily influenced by two factors: perceived usefulness and perceived ease of use. Perceived usefulness refers to the extent to which individuals believe that using a particular technology will improve their performance, while perceived ease of use refers to the degree to which individuals believe that using the technology will require minimal effort. The model further suggests that these beliefs influence individuals' attitudes, behavioural intentions and actual technology usage (Nur, 2022). The theory provides an explanation of how technological innovations gain acceptance and become integrated into routine activities.

The Technology Acceptance Model supports mobile banking services by explaining how the perceived usefulness and ease of using mobile-based financial platforms influence their adoption and utilization (Kimani, 2015). When mobile banking platforms are accessible, reliable and convenient, more users may adopt and continue using them. Increased adoption, reflected in the number of mobile banking users, may contribute to improved service accessibility, operational efficiency and reduced transaction costs. Consequently, the theory provides a basis for explaining how the utilization of mobile banking services may influence financial performance (Jepchumba & Simiyu, 2019).

Transaction Cost Theory

Transaction Cost Theory is associated with Coase (1937) and was further developed by Williamson (1981). The theory explains how organizations organize economic activities to minimize the costs associated with conducting transactions. These costs include searching for information, negotiating agreements, monitoring transactions and enforcing contractual arrangements. Williamson (1981) argued that organizations select governance structures and operational arrangements that minimize transaction costs while improving efficiency (Koesmahargyo, Wahyuni, & Chalid, 2024). The theory suggests that organizations can achieve better economic outcomes by adopting arrangements that reduce the costs of delivering goods and services and coordinating economic activities.

Transaction Cost Theory supports agency banking services by explaining how the use of third-party agents can reduce the costs associated with delivering financial services. Agency arrangements allow financial service providers to extend their operational networks without necessarily establishing and maintaining additional physical branches. The number of active banking agents will indicate the extent of the agency network and its capacity to facilitate service delivery. An expanded and efficient agency network may reduce infrastructure and administrative costs, increase service accessibility and improve operational efficiency, potentially contributing to better financial performance (Gilbert & Emmanuel, 2020).

Conceptual Framework

A conceptual framework is a diagram showing the relationship between the independent and dependent variables. This framework helps researchers outline what they plan to study and the expected relationships among the variables, thereby guiding the research design and

methodology (Miles & Huberman, 2019). The conceptual framework for this study illustrates the relationship between mobile banking services and agency banking services as the independent variables and financial performance as the dependent variable.

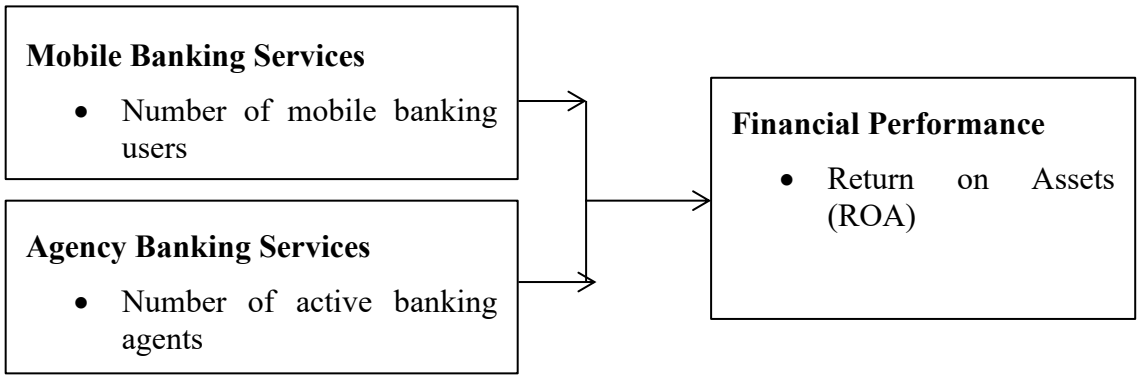


Figure 2.1: Conceptual Framework

Mobile Banking Services

Mobile banking services refer to the provision of financial services through mobile devices, enabling customers to access and undertake financial transactions electronically (Sharma, 2023). These services have transformed the delivery of financial services by improving accessibility, convenience and efficiency. Mobile banking reduces dependence on physical banking infrastructure and allows customers to access financial services remotely. Its adoption has enhanced the speed of service delivery while reducing transaction costs and time associated with conventional financial service channels (Nur, 2022).

Mobile banking services are characterized by the use of mobile-based platforms to facilitate financial interactions between service providers and customers (Kimani, 2015). The extent of mobile banking adoption can be assessed through the number of mobile banking users, which reflects the level of customer uptake and utilization of mobile-based financial platforms. A growing number of users indicates increased acceptance of mobile banking services and wider access to digital financial services (Jepchumba & Simiyu, 2019).

Mobile banking services can influence financial performance through increased customer engagement, improved operational efficiency and reduced service delivery costs (Munyasia & Waithaka, 2024). Greater adoption of mobile banking may enhance transaction volumes, expand customer reach and improve revenue generation opportunities. However, the financial benefits depend on the extent of adoption, technological reliability and the ability of service providers to manage the associated operational and security risks (Sharma, 2023).

Agency Banking Services

Agency banking services refer to a financial service delivery arrangement in which authorized third-party agents provide designated financial services on behalf of financial institutions (Koesmahargyo, Wahyuni, & Chalid, 2024). The arrangement extends financial service accessibility beyond conventional physical outlets by utilizing distributed service networks. Agency banking enhances convenience by bringing financial services closer to customers while enabling service providers to expand their operational reach without necessarily establishing additional physical branches (Gilbert & Emmanuel, 2020).

The extent of agency banking services can be assessed through the number of active banking agents operating within a service network (Kinyua, Kihara, & Milui, 2025). The number of active agents indicates the geographical reach and operational capacity of an agency banking arrangement. A larger network of active agents may reflect increased service accessibility and

the ability of financial institutions to serve customers across different locations (Mwangi & Kalui, 2022).

Agency banking services can influence financial performance through reduced infrastructure costs, expanded service coverage and increased transaction opportunities (Mchembere & Jagongo, 2017). By utilizing third-party agents, financial institutions can extend their services while limiting the expenditure associated with establishing and maintaining physical branches. An effective agency banking network may improve operational efficiency, increase customer accessibility and contribute to improved revenue generation and financial performance (Koesmahargyo, Wahyuni, & Chalid, 2024).

Financial Performance

Financial performance refers to the extent to which an organization effectively utilizes its financial resources to generate income and achieve its financial objectives. It reflects the financial outcomes arising from organizational activities, resource allocation and operational decisions (Kinyua, Kihara, & Milui, 2025). Financial performance is an important measure of organizational sustainability, profitability and efficiency because it indicates the ability of an organization to generate returns from the resources under its control (Mwangi & Kalui, 2022).

Financial performance can be assessed using various accounting-based and market-based measures (Abushaala, 2024). Return on Assets (ROA) is an important accounting-based measure that evaluates how effectively an organization utilizes its assets to generate profits. It is calculated by dividing profit after tax by average total assets and expressing the result as a percentage. A higher ROA generally indicates greater efficiency in utilizing organizational assets to generate earnings (Koesmahargyo, Wahyuni, & Chalid, 2024).

Financial performance is influenced by several organizational and operational factors, including technological adoption, cost management, revenue generation and resource utilization (Lu, Ooi, Lee, & Kossim, 2022). Effective adoption of digital financial services can contribute to improved financial performance by enhancing operational efficiency, reducing transaction costs and supporting revenue generation. Consequently, the ability to utilize financial resources efficiently remains central to achieving sustainable financial performance (Onchangwa, 2025).

Empirical Review

Mobile Banking Services and Financial Performance

Sharma (2023) examined the influence of electronic banking services on the performance of banks in India using an unbalanced panel data design involving 20 Indian banks over the period 2010 to 2019. Financial performance was measured using return on assets, return on equity and net interest margin. The findings revealed that electronic banking services had mixed effects on bank performance, with financial benefits depending on implementation costs, customer acceptance and the availability of adequate technological infrastructure. The study concluded that electronic banking services could contribute to improved bank performance, although the benefits were not uniform across institutions.

Kimani (2015) examined the effect of adoption of mobile banking systems on the operational efficiency of commercial banks in Kenya. The study employed a census survey research design involving all 43 commercial banks operating in Kenya and relied on secondary data obtained from Central Bank of Kenya annual banking survey reports for the period between 2011 and 2014. The findings revealed that the growth in mobile banking usage positively enhanced the operational efficiency of commercial banks. The study concluded that mobile banking systems positively and significantly influenced the operational efficiency of commercial banks.

Jepchumba and Simiyu (2019) examined electronic banking adoption and financial performance of commercial banks in Nairobi City County, Kenya. The researchers employed

a descriptive research design and used structured questionnaires to collect primary data from general managers and credit managers. The findings indicated that electronic banking adoption had a positive effect on the financial performance of commercial banks. The researchers concluded that electronic banking adoption was an important contributor to the financial performance of commercial banking institutions in Kenya.

Munyasia and Waithaka (2024) examined how perceived usefulness of mobile banking affected the financial performance of commercial banks in Nairobi City, Kenya. The study was anchored on the Technology Acceptance Model and employed a descriptive research design. Data were collected using questionnaires and analysed through descriptive statistics, correlation analysis and regression analysis. The findings revealed that perceived usefulness of mobile banking had a positive and statistically significant relationship with financial performance, with a correlation coefficient of 0.699 and a regression beta coefficient of 0.545. The study further established that 62.9% of the variation in financial performance was explained by the perceived usefulness of mobile banking applications. The study concluded that perceived usefulness of mobile banking applications was an important determinant of financial performance among commercial banks in Nairobi City County.

Agency Banking Services and Financial Performance

Gilbert and Emmanuel (2020) examined agency banking practices and non-financial performance of commercial banks in Rwanda, using Kenya Commercial Bank (KCB) Rwanda as a case study. The study adopted descriptive and correlational research designs to establish the relationship between agency banking practices and bank performance. Data were analyzed using descriptive statistics and multiple regression analysis. The findings revealed a positive relationship between agency banking practices and the non-financial performance of commercial banks in Rwanda. The study concluded that agency banking contributes positively to the performance of commercial banks by improving the delivery of banking services and supporting customer-related outcomes.

Kinyua, Kihara, and Milui (2025) examined agency banking strategy and the performance of tier-three commercial banks in Kenya. The study adopted a descriptive research design targeting 21 tier-three commercial banks operating in Nairobi City County. Primary data were collected using structured questionnaires and analyzed through descriptive, diagnostic and inferential statistical techniques. The findings revealed that agency banking strategy had a significant and positive influence on the organizational performance of tier-three commercial banks in Kenya. The study established that the number of agents, geographical coverage of agent networks, transaction volumes and agent performance were important elements in improving bank performance. The study concluded that commercial banks can strengthen their organizational performance through the effective adoption and implementation of agency banking strategies.

Mwangi and Kalui (2022) examined agency banking as an alternative banking services delivery channel and its effect on the financial performance of commercial banks in Kenya. The researchers adopted a causal research design and employed a census sampling approach, incorporating all 40 commercial banks operating in Kenya as of December 2018. Both primary and secondary data were used, and the collected data were analyzed using descriptive statistics and regression analysis. The findings revealed that agency banking had a positive and statistically significant effect on the financial performance of commercial banks in Kenya. The study concluded that agency banking is an important alternative banking channel that contributes positively to the financial performance of commercial banks.

Mchembere and Jagongo examined the effect of agency banking operations on the profitability of commercial banks in Nairobi County, Kenya. The study adopted a descriptive research design and targeted all 11 commercial banks offering agency banking services in Nairobi County. Data analysis involved descriptive and inferential statistical techniques, including

means, standard deviations and multiple regression analysis. The findings revealed that agency banking withdrawal transactions had a positive and statistically significant relationship with bank profitability. Similarly, cash deposit transactions and account-opening services were identified as statistically significant factors influencing profitability. However, agency banking branch networking demonstrated a negative and statistically insignificant relationship with bank profitability. The study concluded that agency banking transactions, particularly cash withdrawals, deposits and account-opening services, are important contributors to the profitability of commercial banks.

RESEARCH METHODOLOGY

The study adopted an explanatory research design. According to Saunders, Lewis, and Thornhill (2019), explanatory research seeks to establish relationships between variables and explain how changes in one variable influence another. The design was appropriate because the study sought to establish the effect of mobile banking services and agency banking services on the financial performance of investment companies listed at the Nairobi Securities Exchange (NSE), Kenya. The study employed a quantitative research approach based on secondary data. Quantitative research involves the collection and analysis of numerical data to examine relationships among variables (Creswell & Creswell, 2018). The approach enabled the analysis of financial and operational information obtained from the audited financial statements and annual reports of the selected investment companies and facilitated the application of statistical techniques to establish the direction, magnitude and significance of the relationships between the study variables.

The target population comprised five investment companies listed at the Nairobi Securities Exchange (NSE), Kenya, namely Centum Investment Company Plc, Home Afrika Limited, Olympia Capital Holdings Plc, TransCentury Plc and Kurwitu Ventures (NSE, 2025). The study covered all five companies, thereby adopting a census approach. The unit of analysis was the individual investment company, while the unit of observation comprised the annual audited financial statements and relevant disclosures in the annual reports of the respective companies. Data was collected for a period of ten years, covering the financial years 2016 to 2025, resulting in a maximum of 50 company-year observations, subject to data availability. The ten-year period facilitated the examination of trends in mobile banking services, agency banking services and financial performance over time.

The study used a secondary data collection sheet as the main data collection instrument. The data collection sheet was structured according to the study objectives and variables to facilitate systematic extraction, recording and organization of relevant information from the audited financial statements and annual reports of the five investment companies. The instrument captured information relating to mobile banking services, agency banking services and financial performance, measured using the number of mobile banking users, number of active banking agents and Return on Assets (ROA), respectively. The financial performance data was obtained from audited financial statements, while information relating to mobile banking and agency banking services was extracted from relevant disclosures in the companies' annual reports. The instrument also captured the company name, financial year and source of the extracted information to facilitate verification and consistency during data analysis.

The researcher obtained the necessary institutional authorization before commencing data collection. The audited financial statements and annual reports of the five investment companies were obtained from their official websites and other credible institutional sources, including the Nairobi Securities Exchange and the Capital Markets Authority. The researcher reviewed the documents for the financial years 2016 to 2025 and extracted the relevant information using the structured secondary data collection sheet. The extracted information was organized according to individual companies, financial years and study variables. Where information was presented in different formats, measurements were standardized to ensure

comparability across the five companies. The collected data was subsequently checked for completeness, consistency and accuracy, with missing or inconsistent information cross-checked against the original annual reports and audited financial statements before the dataset was finalized for analysis.

The study employed quantitative data analysis techniques to establish the effect of mobile banking services and agency banking services on the financial performance of investment companies listed at the NSE. The collected data was coded, cleaned and analysed using Stata statistical software. The analysis involved descriptive statistics, correlation analysis and panel regression analysis. Descriptive statistics were used to summarize the characteristics and distribution of the study variables through means, standard deviations, minimum values and maximum values. Pearson correlation analysis was conducted to establish the direction and strength of the relationships between mobile banking services, agency banking services and financial performance. Panel regression analysis was employed to determine the effect of the independent variables on financial performance, as the data combined cross-sectional observations from five investment companies with time-series observations covering ten financial years.

Diagnostic tests were conducted to establish whether the data met the assumptions underlying panel regression analysis. Multicollinearity was assessed using Variance Inflation Factor (VIF) and tolerance values, where VIF values below 10 and tolerance values above 0.1 indicated that multicollinearity was not a serious problem. The Shapiro-Wilk test was used to assess normality of regression residuals, while the Breusch-Pagan test was employed to establish whether the variance of the residuals was constant across observations. The Wooldridge test for autocorrelation in panel data was used to determine whether regression residuals were correlated across different time periods. Where heteroscedasticity or autocorrelation was detected, appropriate robust estimation techniques were considered. The Hausman specification test was conducted to determine whether the fixed-effects or random-effects model was more appropriate by examining whether unobserved company-specific effects were correlated with the explanatory variables.

RESULTS AND DISCUSSION

Descriptive Statistics

The descriptive statistics were used to summarize the characteristics of mobile banking services, agency banking services, and the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya. The analysis examined the mean, median, mode, minimum, maximum and standard deviation of the study variables.

Table 1: Descriptive Statistics Analysis

Variable	Mean	Median	Mode	Min	Max
Mobile Banking Services	125,640	118,500	110,000	45,000	235,000
Agency Banking Services	1,245	1,180	1,100	450	2,350
Financial Performance (ROA)	0.085	0.082	0.076	0.034	0.146

Source: Research Data (2026).

The descriptive statistics indicate that mobile banking services had a mean of 125,640 users, a median of 118,500 users and a mode of 110,000 users. The number of mobile banking users ranged between 45,000 and 235,000, indicating variation in the utilization of mobile banking services across the observations. This variation suggests differences in the scale of mobile banking adoption among the investment companies over the study period.

Agency banking services recorded a mean of 1,245 active banking agents, a median of 1,180 and a mode of 1,100. The number of active agents ranged from 450 to 2,350. The variation in

agency banking services suggests differences in the extent to which the companies utilized agent networks to facilitate service delivery and extend their reach.

Financial performance, measured using Return on Assets (ROA), recorded a mean of 0.085, a median of 0.082 and a mode of 0.076. ROA ranged from a minimum of 0.034 to a maximum of 0.146. These descriptive results indicate variation in financial performance among the observations included in the study.

Correlation Analysis

Correlation analysis was conducted to establish the direction and strength of the relationships between mobile banking services, agency banking services and financial performance. Pearson correlation coefficients were used to determine the nature of the associations between the study variables.

Table 2: Correlation Matrix

Variable	Statistic	Financial Performance	Mobile Banking	Agency Banking
Financial Performance	Pearson Correlation	1		
	Sig. (2-tailed)	—		
	N	40		
Mobile Banking Services	Pearson Correlation	.861**	1	
	Sig. (2-tailed)	.000	—	
	N	40	40	
Agency Banking Services	Pearson Correlation	.842**	.162	1
	Sig. (2-tailed)	.001	.079	—
	N	50	50	50

Source: Research Data (2026). ** Correlation is significant at the 0.01 level (2-tailed).

The correlation results indicate a strong positive relationship between mobile banking services and financial performance ($r = .861$, $p = .000$). This suggests that an increase in mobile banking services was associated with an increase in financial performance among the investment companies included in the analysis. The relationship was statistically significant at the 1% level, indicating a strong association between mobile banking services and financial performance.

Agency banking services also exhibited a strong positive correlation with financial performance ($r = .842$, $p = .001$). This suggests that higher levels of agency banking services were associated with better financial performance. The relationship was statistically significant at the 1% level.

The correlation between mobile banking services and agency banking services was positive but weak ($r = .162$, $p = .079$). This indicates that the two independent variables had a positive association, although the relationship was not statistically significant at the 5% level.

These findings indicate positive associations between both mobile banking services and agency banking services and financial performance. However, correlation results alone do not establish causation, and the findings should subsequently be examined using regression analysis.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (mobile banking services, internet banking services, agency banking services and

digital payment services) and the dependent variable (financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya)

Table 3: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.205	0.053		3.867	0.000
	mobile banking services	0.355	0.093	0.356	3.817	0.000
	agency banking services	0.337	0.087	0.338	3.874	0.001

a Dependent Variable: financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya

The regression model was as follows:

$$Y = 0.205 + 0.355X_1 + 0.337X_2 + \varepsilon$$

According to the results, mobile banking services has a significant effect on financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya β_1=0.355, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Sharma (2023) who indicated that there is a very strong relationship between mobile banking services and financial performance.

Furthermore, the results revealed that agency banking services has significant effect on financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya β1=0.337, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Koesmahargyo, Wahyuni, and Chalid (2024) that there is a very strong relationship between agency banking services and f financial performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concludes that mobile banking services have a positive and significant effect on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya. The findings revealed that the number of mobile banking users influences the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya.

Further, the study concludes that agency banking services have a positive and significant effect on the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya. The findings revealed that the number of active banking agents influences the financial performance of investment companies listed at the Nairobi Securities Exchange, Kenya.

Recommendations

The study recommends that investment companies in Kenya should enhance their mobile banking services by investing in secure, user-friendly and reliable mobile platforms that enable customers to access financial services, monitor transactions and conduct financial activities conveniently. This would improve customer satisfaction, increase service accessibility, reduce operational costs and enhance financial performance.

Further, the study recommends that investment companies in Kenya should expand their agency banking networks by partnering with reliable agents and providing them with adequate technological infrastructure and training to deliver efficient financial services. This would

increase market reach, improve customer accessibility, generate additional revenue and reduce the costs associated with establishing and maintaining physical branches.

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