FACTORS AFFECTING THE SUCCESS OF ISLAMIC BANKING IN KENYA

(A Case Study of the First Community Bank.)

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This is a Research Project Submitted In Partial Fulfillment For The Award of A Diploma in Business Management of University of Nairobi.

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DECLARATION

I hereby declare that this research project proposal is my original work, and has not in part or whole been submitted elsewhere for a diploma or degree in any institution of higher learning for examination purposes.

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Supervisor

This research project has been submitted for examination with my approval as university supervisor.

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This study investigated the factors that influence success of Islamic Banking in Kenya with reference to the First Community Bank.

The specific objectives of the study were; to find out the effects of institutional capacity on the success of the First Community Bank, to investigate the effects of competition on the success of the First Community Bank, to establish the effects of religious believes on the success of the First Community Bank, to determine the effects of government policy on the success of the First Community Bank, and finally to investigate how training affects success of the First Community Bank.

This study adopted a case study design since it involves an in-depth collection and analysis of data to determine the characteristics of a unit or an organization. The primary purpose of the case study was to determine factors and relationships among the factors that have resulted in the behaviour under study.

The simple random sampling method was used since this method ensures equal opportunities of every subject to score randomly hence making the results more accurate. Using this method, the researcher had no influence in the selection of the sample as the method is not biased.

To facilitate data analysis, the data collected was analyzed.

In consideration of the findings, the researcher concludes that, government policy, competition, religious believes and institutional capacity are the major factors that influence success of Islamic Banking in Kenya with reference to the First Community Bank.