## ABSTRACT

Agent banking is quickly become recognised as a viable strategy in many countries. In recent years agent banking has been adopted and implemented with varying degrees of success by a number of developing countries particular Latin and Brazil. Brazil is often recognised as a global pioneer in this area since it was early adopted the model and over the years has developed a mature network of agent banks covering more than 99% of countries municipalities. Currently, agency banking model is an integral part of modern banking in many African countries including Kenya. It is geared to help entrepreneurs like fisher folk to enjoy a more convenient channel of accessing bank services. Whereas banking services are designed to facilitate financial services to the community this has not been realized by majority of low income earners; who comprise a large portion of Kenyan fishing population. Therefore, the purpose of this study is to determine the relationship between agency banking and investment performance of fishing folk in selected beaches in Siaya County. Objectives of the study were to; establish the relationship between agency banking policy regulations and investment performance, determine the association between agency banking costs and investment performance and establish the relationship between agency banking risks and investment performance. The study was guided by contract theory. A correlation research design was used. The target population and sample all the 91 fishing entrepreneurs operating in Siaya county.  A Census sampling technique was employed. The study used both primary and secondary data. Primary data was collected using a semi structured questionnaire. Validity and reliability of these instruments were checked using expert review and pilot test analysed using Cronbach's Alpha respectively. The findings of the study were that agency policy regulations and investment performance had a positive and significant association ($r = .357$, $p = .000$), agency banking costs had a negative and significant association with investment performance ($r = -.241$, $p = .000$) and agency banking risks and investment performance had a negative and significant association ($r = -.356$, $p = .000$). This implies that agency banking lead to reduced investment performance. Data was analysed using descriptive and inferential statistics such as mean, standard deviation, and Pearson's correlation analysis. Data was presented using tables. The research findings may be significant to financial policy makers in coming up with policy that will regulate the bank and the agents at large. It may also be useful to the existing commercial banks to establish their impact to their profitability. In addition, the research may provide new empirical evidence on the effect of agency banking on commercial banks performance and form a basis for future research