Kenyan banks have taken big leaps in setting the bar high for themselves as pertains to emerging technology, improved facilities, redefined customer service and customer experience with most, if not all of the operational process fully automated. The objective of the study was to examine the effect of mobile credit on operational efficiency of commercial banks in Kenya. This research study was carried out in Kenya using Commercial Banks with mobile credit and that were registered with the Central Bank of Kenya. There were a total of 43 banks in Kenya that were included in the study. The study was conducted in the Nairobi city where all the banks were located. Data was gathered online from the annual reports posted by commercial banks that offered mobile credit. The study yields fourteen benefits that commercial banks in Kenya enjoy from engaging in SME lending. In Kenya, specifically, 50 per cent of banks were motivated to participate in the SME market in view of its profitability. De la Torre et al. On the other hand, small commercial real estate loans, being transactional rather than relationship in nature, do not contribute additional value to banking organizations relative to larger commercial real estate loans [Holod, Peek, 2013]. The need to seek out SME relationships from existing large corporate clients (reverse factoring) is also cited as another driver of bank involvement in the SME segment. In Kenya the commercial banks dominate the financial sector. In a country where the financial sector is dominated by commercial banks, any failure in the sector has an immense implication on the economic growth of the country. However, a higher net interest margin could reflect riskier lending practices associated with substantial loan loss provisions (Khrawish, 2011). 2.2 Determinants of Bank Performance. The determinants of bank performances can be classified into bank specific (internal) and macroeconomic (external) factors (Al-Tamimi, 2010; Aburime, 2005). Thus, low nonperforming loans to total loans shows that the good health of the portfolio a bank. The lower the ratio the better the bank performing (Sangmi and Nazir, 2010).