Global Scientific JOURNALS

GSJ: Volume 12, Issue 3, March 2024, Online: ISSN 2320-9186

www.globalscientificjournal.com

THE EFFECT OF BORROWER'S CAPACITY TO PAY ON LOAN REPAYMENT IN UGANDA DURING COVID-19 PANDEMIC

Byamukama Dicky & Agaba Moses

Department of Management Science, Faculty of Economics and Management Science, Kabale University, Uganda

Email address: corresponding author
agabamosez@yahoo.com

ABSTRACT

This study was conducted with the aim of investigating the effect of borrower's capacity to pay on loan repayment during COVID -19 pandemic at Lyamujungu SACCO in Uganda. A cross-sectional survey design was used using Lyamujungu SACCO as a case study. This was approached with qualitative and quantitative approaches. Using questionnaire and interviews, data was collected from 108 clients of Lyamujungu SACCO. In addition, interviews were conducted with the general manager, branch managers and loans officers. The collected data was cross checked for errors omission and completeness, coded and analyzed using SPSS computer package. Data was presented in form of tables as frequencies, percentages, standard deviation, mean and significance levels were determined for hypothesis. Results for the study objective revealed that SACCOS started giving less loans in comparison to what they applied for (M=4.05, SD=1.256) and closed very early during covid-19 pandemic (M=3.73, SD=1.378) all of which affected the borrowers capacity to repay loans, consequences that drive SACCO members into loan repayment failure (M=4.70, SD=.459) and loss of savings leading to absolute poverty(M=4.56, SD=.600) were the major factors that determined the borrower's credit on loan repayment during covid-19 pandemic. Results from null hypothesis testing on the item was rejected indicating borrowers capacity(.040), thus the study concluded that there is evidence to suggest that the distribution of the mean score of each of the variable is not the same across the ability of the borrower to repay the borrowed loan. The study recommends SACCOs to seriously consider having in place effective credit standards, credit policy, credit terms and collection policies or procedures as mechanisms *to guide their business, since the effectiveness of credit management is important to the successful management of banking institutions.*

Key Terms: **Borrower *Capacity, Loan Repayment, COVID-19 Pandemic, Uganda***

1. INTRODUCTION

Borrowers Capacity is the highest amount a business or person can borrow without endangering their ability to make ends meet (Kimani, 2018). Considering that the average borrower can afford to borrow between 30% and 40% of their income, their total debt should never be greater than 1/3 of their income (Munene, &, Ndambiri, 2019). A person or organization using funds, assets, or services on credit is known as a borrower. The idea is most frequently used in the lending of money, where a borrower applies for a loan and the lender evaluates their credit (Gogo, & Oluoch, 2017).

Credit period the amount of days that a customer has to wait before paying an invoice is known as the credit period (Chelangat, & Mutai, 2021). The idea is crucial because it shows how much working capital a company is prepared to put into its accounts receivable in order to increase sales. The amount paid back per unit of time is known as the payback rate. Synonyms include payment rate, rate of payment, and rate of installment (Kule, *et al*, 2020). Repaying a loan involves paying back the money you borrowed from a lender plus any associated interest. (Njenga, &Jagongo, 2019). Typically, the repayment plan entails a regular procedure (referred to as a loan payback schedule) in the form of equal monthly instalments (Kirimi, 2017). Interest on loans reduced means that, the supply and demand of credit affect interest rate levels; higher or lower levels of demand for credit will result in higher or lower interest rates, respectively (Naibei, & Koskei, 2017).

The cooperation with Equity Bank and recent technological advancements in banking will likely provide this a short-term boost. Lyamujungu Sacco requests greater education and training at all levels, primarily for members and the Board of Directors, but also for staff and management, among other things as a result of these changes. Since its foundation, the SACCO has been operating well, which has raised awareness of the organization by expanding its services and opening numerous branches, including Kigongi-Kabale Branch, the Buhara Branch, the Rubanda Branch, the Kamwezi Branch, the Kahondo Branch, the Rubaya Branch, the Kyanamira Branch, and the Head Offices located in the Kaharo Sub-County in the Kabale District. Clients of the SACCO have been repaying loans on time. But the SACCO has struggled since 2019 until this point. For instance, the Audit Report 2021 for the Financial Year 2028-2019 states that loans have been badly paid, with 67% of the 700,000,000/= shillings that were dispersed being recovered and 33% remaining outstanding. 500 billion million shillings were distributed to members during the 2019–2020 fiscal years; 60% of that amount was recovered, leaving 40% with the public. Only 40% of the loan was repaid in the fiscal year 2020–2021, when 800 billion Ugandan shillings were distributed. This justified the necessity to determine the cause of the SACCO's poor performance.

This study's primary goal was to determine the effect of borrower capacity on loan repayment rates in Uganda using Lyamujungu SACCO as a case study.

2. LITERATURE REVIEW

Borrower's Capacity to pay and Loan Repayment

By comparing income with ongoing obligations and evaluating the borrower's debt-to-income (DTI) ratio across all global financial institutions, capacity measures the borrower's capacity to repay a loan. DTI is determined by multiplying the borrower's gross monthly income by the sum of all monthly debt payments (Agaba & Turyasingura, 2023). The applicant's chances of being approved for a new loan are better the lower their DTI is. However, since COVID-19 first started to spread, a lot has changed.

The capacities of the borrower have been impacted, which has had an impact on loan repayment of the money borrowed from SACCOs and financial institutions (Njenga, & Jagongo, 2019). Due to this, SACCOs are in a situation where recovering loans takes more work than disbursing them. Although each lender is unique, many prefer a candidate's DTI to be around 35% or less before approving an application for fresh credit. It's important to remember that lenders are occasionally forbidden from giving loans to customers with higher DTIs as well (Kule, *et al*, 2020). According to the Consumer Financial Protection Bureau, for instance, to be eligible for a new mortgage, a borrower must normally have a DTI of 43% or below to demonstrate that they can afford the monthly payments on the loan (CFPB).

Because of the elevated credit risk, the persistent effects of the COVID-19 problem on business performance and household incomes may discourage new lending. Better visibility into the viability of the borrower and increased recourse in the case of default can reduce risk (Naibei, & Koskei, 2017). Innovations in digital finance that use alternative data and customize loans to the borrower and the lending environment, as well as reevaluating credit models to take into account the "new normal," can help keep credit flowing. Innovation-supporting regulatory frameworks can help the credit sector during the recovery while still preserving consumer and market protections. In addition to having a significant negative impact on bank credit risk for individuals and businesses, the pandemic severely hampered lenders' ability to see whether a borrower has the ability and willingness to repay a loan, and it constrained their options for action in the increasingly likely event of a default.

Policy interventions to assist mitigate the pandemic's effects decreased short-term risks, but they also made it harder to see and be assured of the underlying viability of borrowers. The pandemic's persistent repercussions on the economy and financial sector may eventually have an impact on the capital and liquidity of finance providers, decreasing their desire and capacity to take on risk. The decision to issue credit by a lender and the terms involved indicate the level of risk the lender is willing to accept based on projections of the borrower's default risk and the potential loss in the event of a default. (Agaba &Turyasingura, 2022) Estimates of loss in case of default are dependent on the market for collateral or the enforceability of guarantees, whilst the capacity to determine the likelihood of repayment depends on the information available about the borrower and the context of the loan.

The pandemic and related lockdowns had a significant negative impact on the economy, raising credit risk and having a direct impact on borrowers (companies and people). When lockdowns were lifted, the impact for some industries and enterprises subsided. Others will have longer-lasting impacts. For instance, in Rwanda, industries that depend on on-site labor (including construction, lodging, and food) were more impacted by the lockdowns than industries that could shift portion of their operations to remote working. However, once lockdowns were lifted, construction immediately resumed well beyond precrisis levels, but the crisis persisted in the lodging and food industries, where direct contact with consumers is required (Claude, & Edison, 2018). Lenders often respond to uncertain conditions by tightening lending requirements, decreasing credit supply, and switching to safer assets. Lenders decrease lending not only to insolvent enterprises and households but also to everyone else since they are unable to differentiate between the two groups if they lack reliable information with which to assess risks. However, none of the authors have addressed how to improve borrowers' ability to repay loans taken out from banks. For instance, the borrower can increase his or her capacity by raising their pay or decreasing debt. A lender will probably want to see proof of consistent income in the past. Even if changing jobs could result in a greater salary, the lender might want to make sure that your employment is secure and that your pay will remain constant.

Microfinance Institutions (MFIs) rely on regular human interactions and social pressure to maintain historically high payback rates in order to provide financial services to the underprivileged. The essential employees of MFIs who perform these duties are loan officers Loan officers visit distant regions to connect with current borrowers, find possible new borrowers, evaluate borrowers' creditworthiness, dispense loans, offer financial advice, and collect loan repayments. Because of this, loan officers build a rapport of trust with their clients' borrowers (Muriungi, &Maina, 2021). Even though loan officers play a critical part in how an MFI runs, little is known about how they plan their time and balance all of these diverse tasks.

Loan officers now confront new difficulties because of the pandemic: Lockdowns and bans on social gatherings severely impede daily activities in addition to decreasing debtors' ability to repay. Hypothesize additional negative pandemic impacts as follows: If pre-pandemic work incentives that link loan officers' salaries to borrower repayment are still in effect, loan officers may put undue pressure on already vulnerable borrowers to make payments. This would run the danger of jeopardizing the lender's hard-earned trust—necessary for any subsequent interactions.

According to a report by seep-Network (2020), COVID-19 creates serious health and financial concerns for Savings Groups because to market instability, mobility restrictions, and restrictions on community gathering. Due to the fact that the majority of the members are female, they will probably be the main caretakers during the health crisis, putting them at a higher risk of additional burdens in addition to an increased risk of intimate partner and sexual violence. As a result, covid-

19 has an effect on SACCOS's development because it is linked to other external stressors like family violence.

Numerous studies have shown how the covi-19 epidemic has affected agriculture (Chelangat, & Mutai, 2021). Due to labor shortages, households impacted by the COVI-19 pandemic may lower the amount of land they cultivate or possibly stop using some labor-intensive crops or agricultural practices. If this household belongs to an agricultural cooperative, especially if several member houses are impacted, the cooperative organization could be severely harmed. According to a research Miller et al. 2019 conducted in Malawi, households with members who had chronic illnesses lost nearly 70% of their labor force. According to the survey, delayed agricultural activities (reported by 45% of the affected households), fallow land (23%), a change in crop mix (26%) and a change in source of income (36%), among other things, were also recorded. According to a comparable study conducted in Uganda in 2011 by Asingwire, 77% of families reported decreased agricultural production during the previous ten years, primarily as a result of the effects of the covi-19 pandemic. More than a quarter of the families reported animal deaths owing to neglect and bad management due to illness and family member deaths (Claude, & Edison, 2018). The majority of these participants are SACCO members who have debts in SACCOS; as a result of the epidemic, they are unable to raise the necessary capital, which results in bad loan payback.

3. METHODS

3.1 Research design

This study used a cross-sectional survey design to examine, characterize, and compare bank credit and loan repayment in the Kabale District using Lyamujungu SACCO as a case study. A cross sectional survey offers a one-time chance for a thorough and in-depth analysis of certain features of the data gathered (Abanis *et al*, 2022: Turyasingura & Agaba, 2023).

3.2 Study population

Population is the quantity of local residents who belong to a particular set of social, cultural, socioeconomic, ethical, or racial categories (Creswell, 2017: Agaba *et al*, 2023). Sample size simply refers to the portion of the population that has been purposefully chosen in order to study the parent's characteristics. The study population was chosen basing on its accessibility and familiarity with the study's topic. According to Lyamujungu SACCO annual report (2022), the SACCO currently has a population of 30,000 members, of which the study targeted a population of 150 that was approved to generate the required data. The general manager, branch managers, loans officers and clients were the study's target respondents. So, Lyamujungu SACCO was the site of this investigation.

3.3 Sample Size Determination

The sample size for each category of respondents was determined by the use of Krejcie and Morgan (1970) table as cited in Agaba *et al*, (2023). Out of 150, a sample of 108 respondents were selected for the study as per table1; general manager, 6 branch managers, loans officers, and 86 clients totaling 108. The researcher used both purposive and simple random sampling to select the members/clients of the SACCO. Simple random method was suitable for large population like SACCO clients.

Table 1: Sample distribution of participants from the SACCO

Category	**Target Population**	**Sample size**	**Sampling technique**
General Manager	1	1	Purposive
Branch Managers	6	6	Purposive
Loans officers	17	15	Purposive
Clients	126	86	Simple random sampling
Total	**150**	**108**	

3.4 Data collection methods

Questionnaire surveys was employed since they were less expensive and made it easier to get pertinent data from SACCO members by giving them time to reflect before responding (Sekaran et al, 1992). An interview guide was utilized to gather qualitative data in accordance with the attached index. A planned conversation between two or more persons is known as an interview (Saunders, 2011).

3.5 Data Quality Control

3.5.1. Validity

An instrument's validity is determined by its capacity to gather reliable data, i.e., data that can be used to support the claims made in its development (Agaba & Emenike, 2019).

Validity of the questionnaire was tested using the content validity test (CVI).

Where; Relevant (R), Neutral (N), Irrelevant (IRR). This is indicated below;

$$CVI = \frac{R}{R+N+IRR}$$

$$CVI = \frac{20}{20+1+2}$$

CVI= 0.869

Thus content validity was 0.87 which was within the range of confidence interval and standard measure of significance level which justifies the validity of the instruments as supported by Odiya, (2009).

3.5.2 Reliability

The reliability of the questionnaires was assessed using Cronbach's Alpha at 0.05. To measure the internal consistency of the research instrument, in this case a questionnaire, the researcher applied Cronbach's alpha. The Content Validity Index was computed and all items scored above 0.9 which was above 0.7. The instrument was also checked for accuracy, reliability, consistency and completeness using the alpha cronbach test (Agaba & Kanyesiime, 2019). The acceptable reliability results were those of 0.7 points and above hence reliable for data collection.

3.6 Data analysis

3.6.1 Quantitative

Quantitative data was coded and entered in SPSS version 20.0 to generate the ANOVA, mean, standard deviation, Pearson correlation, and regression. Quantitative analysis involved the use of tables that showed the frequency or occurrence of descriptive statistics and inferential statistics that establish the statistical relationships between variables (Saunders, 2011). The statistical summaries of the results were presented in the form of percentages and tables using computer data analysis package such as the Statistical Package for Social Science (SPSS) version 20.0 and other relevant software to help interpret results.

3.6.2 Qualitative data

Qualitative data was presented and analyzed by assigning codes to develop meaningful themes from the data collected through interviews. It was further handled using VIVO software to merge the related opinion into meaningful themes as recommended by Arinaitwe *et al*, (2021) who define qualitative content analysis as a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns.

4. RESULTS

4.1 Respondent's Response Rate

During the study field, the researcher had a sample size of 108 clients from the Sacco's branch. The returned items are indicated in the table below.

Table two: showing the response rate

Branch	Tools distributed	Tools returned	Percentage (%)
Kigongi-Kabale Branch	18	18	100
Buhara Branch	18	18	100
Kamwezi Branch	18	18	100
Kahondo Branch	18	18	100
Rubaya Branch	18	18	100
Kyanamira Branch	18	18	100
Total	**108**	**108**	**100**

Source: Field Data, 2023

From the above table, all 108 research instruments distributed were returned giving a response rate of 100%. This was possible after the researcher distributed the questionnaires to SACCO clients, waited for filling and returned them to him immediately. Murus *et al*,(2021), advises that a response rate more than 50% or more is ideal for data analysis. Babbie (2004) also asserted that return rate of 50% is accepted to analyze and publish, 60% is good and 70% is very good. Based on these assertions from renowned scholars, 100% response rate was adequate for the study.

4.2 .Demographic characteristics of respondents

The gender demographics included gender, age of respondents, occupation and the highest education level of respondents. Demographics were considered and are vital in any study because they easily reveal the level of eligibility of the study respondents (Mbabazi & Agaba, 2021). Therefore, the respondent's qualification to participate in the study and to rely on their opinions was measured using the demographics as presented below;

Table 2: Demographic characteristics of the study respondents

Description		Frequency	Percentage
Gender	Male	71	65.7
	Female	37	34.3
Age	15-30	25	23.1
	31-40	46	42.6
	41-50	19	17.6
	51-60	9	8.3
	61 and above years	9	8.3
Occupation of respondents	Community farmer	64	59.3
	Entrepreneur	17	15.7
	Civil servant	8	7.4
	Unemployed	2	1.9
	Boda-boda	17	15.7
Highest level of education	Never studied	11	10.2
	Primary level	29	26.9

	Secondary level	26	24.1
	Certificate/diploma	30	27.8
	Degree level	12	11.1
Total		**108**	**100**

Source: Field Data, 2023

Table above presents the results about the demographic characteristics of the study respondents. According to results, Males dominated in the study with 65.7% compared to females with 34.3%. Perhaps males being household heads were more engaged in loan borrowing than females.

About the age distribution of the study respondents, 42.6% of the respondents were aged between 31-40 years, 23.1% respondents were aged between 15-30 years, 17.6% respondents were aged between 41-50 years and finally 8.3% of the respondents were aged 51-60 years as well as respondents in the age bracket of 61 years and above.

In addition, 59.3% of the study participants borrowing money at Lyamujungu sacco were community farmers, entrepreneurs and boda-boda shared the same percentage of 17% respectively, 7.4% of the respondents were civil servant and the remaining 1.9% respondents were unemployed. This implies that most of the borrowers at Lyamujungu Sacco were farmers that used the credit for their agricultural produce.

Finally, results about the education of the respondents indicated that majority of the respondents had certificates and diplomas as their highest education levels (27.8%). In addition, 26.9% respondents had completed primary level, 24.1% respondents had completed secondary level. The education levels that were represented by few respondents included degree level with 11.1% and respondents that never studied with 10.2%. According to the findings, majority of the respondents were literate and could interpret how to effectively utilize credit from the Sacco.

4.3 Borrowers Capacity on loan repayment during COVID-19

Table 3: Borrowers capacity on loan repayment during covid-19

Descriptive	N	Mean	Std. Deviation
The SACCO gives fewer loans compared to what we apply for.	108	4.05	1.256
Since the outbreak of covid-19, the SACCO closes very early yet we will be in need of services	108	3.73	1.378
My account is dormant because I don’t have what to save there	108	3.03	1.443

Some SACCOS staff were unemployed due to the outbreak of the covid-19 pandemic	108	3.02	1.571

Source: Field Data, 2023

Table above presents the effect of borrowers capacity on loan repayment during Covid-19 pandemic as; respondents agreed that the Sacco gave few loans compared what they apply for (M=4.05, SD=1.256), since the outbreak of covid-19, the Sacco closes very early yet we will be in need of services (M=3.73, SD=1.378).

The implication is that during covid-19 outbreak, SACCOs like Lyamujungu SACCO gave few loans compared to what the clients applied for and closed early yet clients wanted to access the services. This affected their capacity to repay their loans.

Respondents that score the not sure responses included; my account is dormant because I don't have what to save there (M=3.03, SD=1.443) and Some SACCOS staff were unemployed due to the outbreak of the covid-19 pandemic (M=3.02, SD=1.571).

Responses from the key informants were as below;

> *Respondent 1: Although this SACCO branch has few civil servants, during the outbreak of covid-19 pandemic, there was salary cuts and delays while the self-employed were locked in their homes with no way out, this seem to have contributed to reduction in the capacity of borrowers to repay the SACCO loans.*
>
> *Respondent 2: during the outbreak of covid-19 pandemic, us as a SACCO, we decided to offer loans that were in line with their collateral security because we realized that there was a reduction in their capacity to repay the loans they had initially paid. Therefore as a SACCO, we were making loan cuts in relation to what the borrowers had applied for.*
>
> *Respondent 3: as a SACCO, were also affected by the lockdown in two ways; the first being that were regulated to work until mid-day, an implication that were started losing some clients and second being that the clients would not have the capacity to access the services. Even those that were in position to repay could not access the SACCO in their way of convenient.*

Table 4: Hypothesis testing for null hypothesis

	Null Hypothesis	Test	Sig.	Decision
2	Borrower's capacity to pay has no effect on loan repayment during COVID-19 pandemic at Lyamujungu SACCO	Independent - Samples Kruskal – Wallis Test	**.040**	Reject the null hypothesis

Source: Field Data, 2023

Based on the results in the table, the null hypothesis for all the variable is rejected, with significance levels of ***(p = <.040,)*** for "Mean score of the borrower's capacity on loan repayment period.

5. DISCUSSION

Findings on the effect of borrowers' capacity to pay loan repayment during covid-19 pandemic revealed that the major significant factors included offering less loans compared to what clients applied for (M=4.05, SD=1.256) and the SACCOs closing early yet clients still needed services(M=3.73, SD=1.378). During Covid -19 pandemic, it was revealed that SACCOs decided to cut the amount the clients applied for as loans while doubting their capacity to repay back. In addition, the bank regulatory body especially the Bank of Uganda reduced the set working hours for all financial institutions to operate thus limiting the capacity of the clients to access the services and failure to repay back the credit borrowed.

Similar findings are argued by Kule, *et al*, (2020) who asserted that although each lender is unique, many prefer a candidate's DTI to be around 35% or less before approving an application for fresh credit. It's important to remember that lenders are occasionally forbidden from giving loans to customers with higher DTIs as well. DTI is determined by multiplying the borrower's gross monthly income by the sum of all monthly debt payments (Agaba & Turyasingura, 2020). The applicant's chances of being approved for a new loan are better the lower their DTI is. However, since COVID-19 first started to spread, a lot has changed.

6. CONCLUSION AND RECOMMENDATION

The study concluded that factors such as SACCOs offering fewer loans compared to what was applied for by clients and closure of the SACCO early yet clients needed services, affected the borrowers capacity on loan repayment during covid-19 pandemic at Lyamujungu SACCO

The study further recommends SACCOs to operate their credit businesses based strictly on established lending guidelines that clearly outline the business growth priorities of the senior management, as well as the conditions to satisfy in order to qualify for loan approval. These lending guidelines should be regularly updated in order to keep their consistency with the prevailing changes in the credit market and the overall outlook of the economy.

REFERENCES

Abanis Turyahebwa , Agaba .M, Arthur S, Byamukama E and Sylvia Kalembe (2022),Leadership styles, talent management and employee performance in the hotel industry in Uganda; *Kabale University Interdisciplinary Research Journal (KURJ), ISSN 2790-1394, Vol 1. Issue 2, pp. 49 – 66, pp.*

Agaba .M &Turyasingura J. B. (2022) Participatory Project Implementation and Sustainability of Government Funded Projects a Case study of Parish Development Model in Kabale District, Uganda. *International Journal of Current Science Research and Review*, 6(1), 620-633

Agaba, M**.,** Turyasingura, J. B., & Kabagambe, J. (2023). Lending appraisal and performance of SACCOS in district, Uganda. *African Journal of Business Management*, 17(2), 23-31

Agaba M, Turyasingura J B and Kabagambe J D (2023), The Effect Of Strategic Implementation on Organizational Performance of Saccos InSouthwestern Uganda, *International Journal of Islamic Business and Management Review*, Vol.3 No.2, e-ISSN: 2808-0939, pp.139-149

Agaba. M. and Emenike K. (2019). Brand equity and competitive advantage in alcoholic beverage products*; International Journal of Management and Network Economics; Vol. 4, No. 3, 2019;* pp.246–262

Agaba M, Kaaya S & Kyabarongo (2022), Provision of Managerial Skills by Micro Credit Institutions and Sustainability of MSMEs During COVID- 19 Pandemic in Kigezi Region South Western Uganda. *Science Journal of Business and Management*.Vol. 10, No. 4, 2022, pp. 166-175. doi:10.11648/j.sjbm.20221004.12

Agaba. M**.** and Kanyesiime A. (2019), Perceived Quality and Competitive Advantage in Beer Products In Kabale District, South Western Uganda; *International Journal of Multidisciplinary and Current Educational Research;* ISSN: 2581-7027, Vol. 1, Issue 5, pp. 14-22

Arinaitwe P, Marus .E, Agaba M, Turyehebwa A, Bernard Patrick Ogwel and Fabian Mwosi, (2021) Financial Accountability Mechanisms in Local Governments in Uganda: a case of Kabale District Local Government, *Journal of Accounting and Taxation, ISSN 2141-6664 , Vol. 13(2), pp. 99-109, DOI:10.5897/JAT2021.0453*

Chelangat, M. N., & Mutai, J. K. (2021). Effects of Loan Loss Provisions on Loans Disbursements Case Study of SACCOs in Kenya. *Journal of Finance and Accounting*, *5*(4), 35–40. https://doi.org/10.53819/81018102t3018

Claude, K. J., & Edison, B. (2018). Credit Risk Management and Loan Performance: A Case of Umurenge SACCOS in Kigali City, Rwanda. *International Journal of Recent Innovations in Academic Research*, 2(8), 131-146.

Ongono Amogo Tobie Nicaise, Dadem Kemgou Edouard Guilaire, Lekini Dieudonné Justin. The Contribution of Ethics to Banking Governance: An Analysis in Subsidiary Banks with Predominantly Pan-African Capital. *International Journal of Accounting, Finance and Risk Management*. Vol. 6, No. 2, 2021, pp. 61-68. doi: 10.11648/j.ijafrm.20210602.14

Kimani, MW (2018). Relationship Between Credit Risk Management Techniques and Loan Performance of Sasra Regulated Deposit Taking Saccos in Nairobi County.., erepository.uonbi.ac.ke

Kirimi, PN, Simiyu, JM, &Murithi, D (2017). Effect of debt finance on financial performance of savings and credit cooperative societies in Maara Sub-county, Tharaka Nithi County, Kenya., 41.89.236.15

Kule, B. J. M. K., Kamukama, N., & Kijjambu, N. F. (2020). Credit management systems and financial performance of savings and credit cooperatives (SACCOS) in mid-western Uganda. [Link to the DOI:https://doi.org/10.47672/ajf.579]

Mbabazi M, and Agaba M. (2021)The Practice of Accounting Standards And Performance Of Commercial Banks In Kabale Municipality, South Western Uganda. (2021), *SpecialJournal of Banking, Finance, and Management. ISSN-2710-2025, 1 (2): 1-15*

Marus. E., Natal. A. and Agaba .M**.** (2019), small medium enterprises (SMEs), Environmental management and poverty reduction in western Uganda; *International Journal of research and innovation in social sciences* (IJRISS), Volume III, issueVI, June 2019/ ISSN 2454-618

Munene, EN, Ndambiri, JM, & .(2019). Effect of Unsecured Commercial Bank Loans on Financial Performance of Savings and Credit Co-Operative Societies in Kenya. *International Journal of Accounting, Finance and Risk Management*, *Vol. 4, issue 1*

Muriungi, N. D., & Maina, K. E. (2021). Effect of Credit Risk Management Practices on Non-Performing Loan in Deposit Taking Saccos in Upper Eastern Region Kenya. *International Research Journal of Business and Strategic Management*, *2*(1).

Naibei, I., &Koskei, R. K. (2017). Determinants of Member Loyalty among SACCOS: Asurvey of Selected SACCOS in Kericho County, Kenya. *International Journal of Economics,Commerce and Management* , 637-653.

Njenga, R., & Jagongo, A. (2019). Effect of financial management decisions on the financial performance of selected non-deposit taking SACCOs in Kiambu County, Kenya: Theoretical Review. *International Academic Journal of Economics and Finance*, *3*(3), 204–217.

Turyasingura J B and Agaba. M (2023)Technological Factors And Coffee Consumption In Rukungiri District, Southwestern Uganda.. *International Journal of Academic Management Science Research* (IJAMSR) ISSN: 2643-900X Vol.6 Issue 10, Page: 316-325