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EFFECT OF CREDIT MANAGEMENT PRACTICES ON FINANCIAL PERFORMANCE OF BANKS IN RWANDA

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Abstract: **Credit management is one of the most important activities in any company and cannot be overlooked by any economic enterprise engaged in credit irrespective of its business nature. Sound credit management is a prerequisite for a financial institution's stability and continuing profitability, while deteriorating credit quality is the most frequent cause of poor financial performance and condition. As with any financial institution, the biggest risk in bank is lending money and not getting it back. The study sought to determine the effect of credit management on the financial performance of commercial banks in Rwanda. The study adopted a descriptive survey design. The target population of study was 57 employees of Bank of Kigali in credit department. Entire population was used as the sample giving a sample size of size of 57 employees. Purposive sampling technique was used in sampling where the entire population was included in the study. Primary data were collected using questionnaires which were administered to the respondents by the researcher. Descriptive statistics, ANOVA were used to analyze data. Findings of the study revealed that client appraisal; credit risk control and collection policy had effect on financial performance of bank of Kigali. Findings also showed that there is a positive relationship between credit management and financial performance of bank, where a unit increase in client appraisal would lead to increase in performance of BANK by a factor of 0.335, a unit increase in credit risk control would lead to increase in performance of BANK by a factor of 0.234 and also unit increase in collection policy would lead to increase in performance of BANK by a factor of 0.243.The study recommends that there is need for BANK to enhance their client appraisal techniques so as to improve their financial performance. Through client appraisal techniques, the BANK will be able to know credit worth clients and thus reduce their non-performing loans. There is also need for BANK to enhance their credit risk control this would help in decreasing default levels as well as their non-performing loans hence improving their financial performance.**

Keywords: **Credit management practices, financial performance of bank.**

1. INTRODUCTION

Banks are financial institutions that are established for lending, borrowing, issuing, exchanging, taking deposits, safeguarding or handling money under the laws and guide lines of a respective country. Among their activities, credit provision is the main product which banks provide to potential business entrepreneurs as a main source of generating income. While providing credit as a main source of generating income, banks take into account many considerations as a factor of credit management which helps them to minimize the risk of default that results in financial distress and bankruptcy. (Sahlemichael, 2009) This is due to the reason that while banks providing credit they are exposed to risk of default (risk of interest and principal repayment) which need to be managed effectively to acquire the required level of loan growth and performance. The types and degree of risks to which banks are exposed depends upon a number of factors such as its size, complexity of the business activities, volume etc. It is believed that generally banks face Credit, Market, Liquidity, Operational, Compliance /legal/ regulatory and reputation risks among which credit risk is known to have the adverse impact on profitability and growth. (N'jai, 2010)Hence, the success of most commercial banks lies on the achievements in credit management mitigating risk to the acceptable level.

2. STATEMENT OF THE PROBLEM

Sound credit management is a prerequisite for a financial institution’s stability and continuing profitability, while deteriorating credit quality is the most frequent cause of poor financial performance and condition. (NDUTA, 2013) Opined that credit management greatly influences the success or failure of commercial banks and other financial institutions. This is because the failure of deposit banks is influenced to a large extent by the quality of credit decisions and thus the quality of the risky assets. He further notes that, credit management provides a leading indicator of the quality of deposit banks credit portfolio. A study by (kagoyire & Shukla, 2016) on effect of credit management on financial performance of Equity bank, which revealed that commercial Banks in Rwanda use client appraisal in Credit Management to a moderate extent. It further established that credit risk control and credit collection policy influence positively the financial performance of commercial Banks in Rwanda.

(Mekasha, 2008) Investigated the credit risk management and its impact performance on Ethiopian Commercial Banks. The researcher used 10 years panel data from the selected commercial banks for the study to examine the relationship between ROA and loan provision, non-performing loans and total assets. The study revealed that there is a significant relationship between bank performance and credit risk management. Lending or credit creation seek to maximize profitable objective of bank, the monetary policy committee(MPC) of national bank of Rwanda decided to reduce the Key Report Rate (KRR), the rate at which commercial banks borrow from the central bank, down to 7% from 7.5%,on 18th June 2013. This is expected to facilitate commercial banks to borrow cheaply, so that they also lend cheaply in an attempt to continue supporting Rwanda's economy. The purpose of this study was to understand the effect of credit management on commercial banks financial performance.

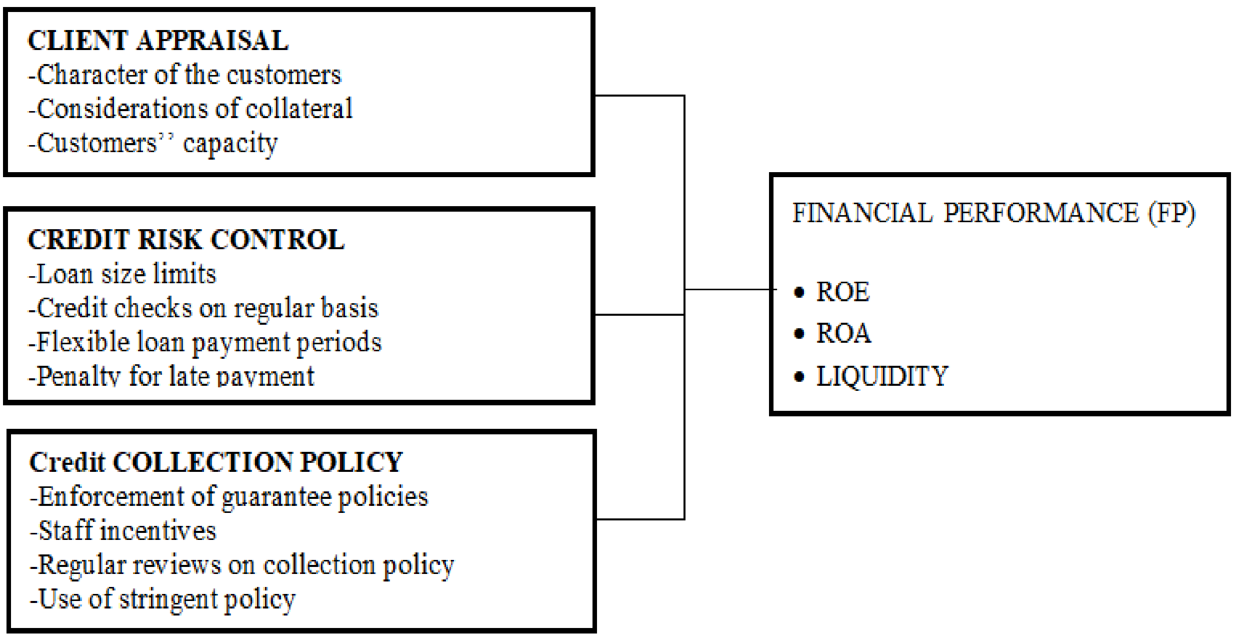
3. OBJECTIVES OF THE STUDY

The general objective for this study was to establish the effect of credit management on the financial performance of commercial banks in Rwanda.

3.1 Specific objectives

1. To analyze the effect of client appraisal on financial performance in Bank of Kigali
2. To analyze the effect of credit risk control on financial performance in bank of Kigali
3. To determine the effect of credit collection policy on financial performance in bank of Kigali

4. CONCEPTUAL FRAMEWORK



5. RESEARCH METHODOLOGY

- **Research Design**: The researcher used descriptive design with mean and standard deviation and correlation research design with Pearson correlation
- **Target Population**: The target population of this study was the staff from credit department of bank of Kigali. The department has a total of 57 members of staff according to branch records.
- **Sample Size:** During this study, the researcher adopted a census since the population was quite small. Since the study used a census, there was no need for sampling technique since the entire population participated in the study.
- **Data Collection Instruments:** During the course of this study, the primary data were collected using questionnaires.

6. RESEARCH FINDINGS

Table1: Level of agreement on credit appraisal

Statement	S A	A	N	D	Mean	Std.dev
Bank of Kigali uses great extent of client appraisal in credit management	40(70.2%)	10(17.5%)	7(12.3%)	0	1.42	0.70
Credit appraisal is a viable strategy for credit management	38(66.7%)	12(21.1%)	3(5.3%)	4(7%)	1.52	0.88
BK has competent personnel for carrying out client appraisal	44(77.2%)	6(10.5%)	2(3.5%)	5(8.8%)	1.43	0.92
Client appraisal considers the character of the customers seeking credit facilities	36(63.2%)	17(29.8%)	2(3.5%)	2(3.5%)	1.47	0.73
Aspects of collateral are considered while appraising clients	47(82.5%)	3(5.3%)	5(8.8%)	2(3.5%)	1.33	0.78
Failure to asses customers' capacity to repay results in loan defaults	38(66.7%)	15(26.3%)	2(3.5%)	2(5.3%)	1.43	0.73

SA=strongly agree A=Agree N=Neutral D= Disagree SD=strongly disagree
Source: Primary data (2018)

The study sought to establish the level at which respondents agreed or disagreed with the above statements relating to client appraisal in Bank of Kigali, from the findings majority of them respondents strongly agreed that Bank of Kigali uses great extent of client appraisal in credit management as shown by mean 1.42; Aspects of collateral are considered while appraising clients as shown by a mean of 1.33; Failure to asses customers' capacity to repay results in loan defaults as shown by a mean of 1.43; BK has competent personnel for carrying out client appraisal as shown by mean of 1.43 ; Client appraisal considers the character of the customers seeking credit facilities as shown by mean 1.47 and finally Credit appraisal is a viable strategy for credit management with mean 1.52. These findings are in line with the study of (kagoyire & Shukla, 2016) on effect of credit management on financial performance of Equity bank, which revealed that commercial Banks in Rwanda use client appraisal in Credit Management to a moderate extent. It Further established that client appraisal is a viable strategy for credit and client appraisal considers the character of the customers seeking credit facilities and that commercial Banks in Rwanda have competent personnel for carrying out client appraisal.

Table 2: Level of agreement on credit risk control in Equity bank

Statement	**S A**	**A**	**N**	**D**	**Mean**	**Std. dev**
BK uses great extent of credit risk control in credit management	45(78.9%)	5(8.8%)	7(12.3%)	0	1.33	0.69
Imposing loan size limits is a viable strategy in credit management	37(64.9%)	13(22.8%)	3(5.3%)	4(7%)	1.54	0.88
The use of credit checks on regular basis enhances credit management	44(77.2%)	11(19.3%)	2(3.5%)	0	1.29	0.65

Flexible loan payment periods improve loan repayment	43(75.4%)	10(17.5%)	2(3.5%)	2(3.5%)	1.35	0.71
Penalty for late payment enhances customer commitment to loan repayment	45(78.9%)	3(5.3%)	7(12.3%)	2(3.5%)	1.40	0.84
The use of customer credit application forms improves monitoring and credit management well	41(71.9%)	12(21.1%)	2(3.5%)	2	1.38	0.72
Credit committees involvement in making decisions regarding loans are essential in reducing default/ credit risk	50(87.7%)	0	3(5.3%)	4(7%)	1.31	0.86
Interest rate charged affect performance of loans in bank	40(70.2%)	10(17.5%)	3(5.3%)	4(7%)	1.49	0.88

SA=strongly agree A=Agree N=Neutral D= Disagree SD=strongly disagree
Source: Primary data (2018)

The study sought to establish the level at which respondents agreed or disagreed with the above statement relating to credit risk control in BK, from the findings, the study established that majority of the respondents strongly agreed that The use of credit checks on regular basis enhances credit management as shown by mean of 1.29; Credit committees involvement in making decisions regarding loans are essential in reducing default/ credit risk as shown by mean 1.31; BK uses great extent of credit risk control in credit management as shown by a mean of 1.33, Flexible loan payment periods improve loan repayment as shown by a mean 1.35 other agreed that, The use of customer credit application forms improves monitoring and credit management well as shown by a mean 1.38 ; Imposing loan size limits is a viable strategy in credit management as shown by a mean 1.54.The findings from this study are in line with (Nduta, 2013) who established that interest rates charged affects performance of loans in the MFI, Credit committees involvement in making decisions regarding loans are essential in reducing default/credit risk, the use of credit checks on regular basis enhances credit management, Penalty for late payment enhances customers commitment to loan repayment.

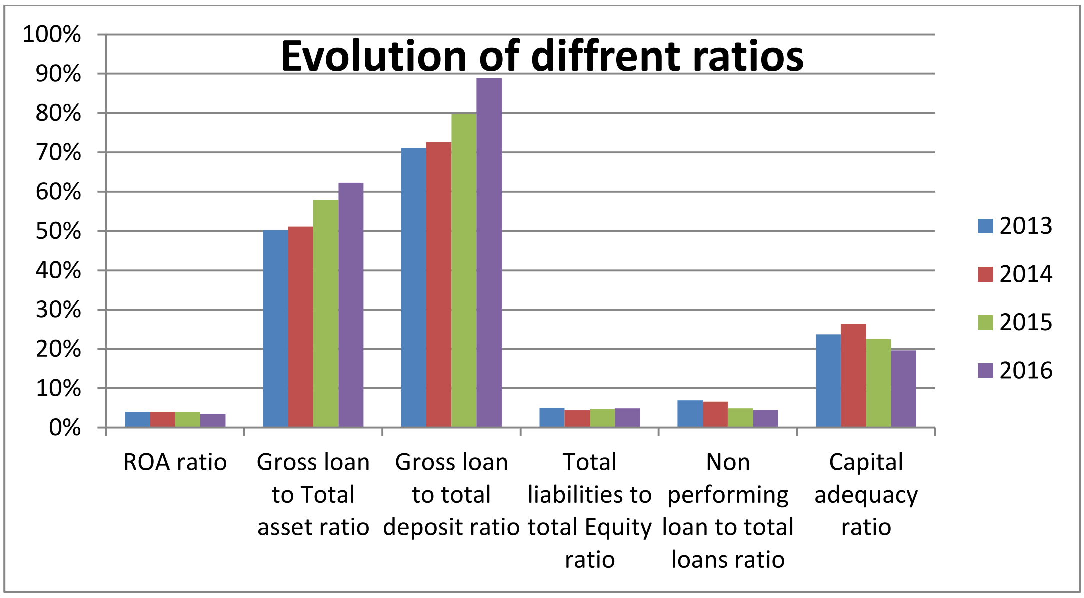


Figure1: Evolution of financial ratios

Source: Computed by researcher from BK Annual report

The figure above indicates the evolution of key ratios related to credit management within the Bank of Kigali in terms of profitability, liquidity, and adequacy .The ROA measures the ability of the bank management to generate income by utilizing company assets at their disposal. In other words, it shows how efficiently the resources of the company are used to generate the income. The bank of Kigali recorded the same ratio of 4% in 2013 and 2014; in 2015 the ratio was 3.9% while the ratio was 3.5% in 2016.it is a good performance as the rule of thumb for banks is to strive to record a ROA ratio of 3% or above. The second ratio shown is the gross loans to total assets ratio which illustrates the bank liquidity in terms of loans extended to clients compared to total assets. This ratio has been increasing over the period under the study where in 2013 the ratio was 50.2%, 51.1% in 2014, 57.9% in 2015 and 62.3% in 2016. It is clear that this ratio has been increasing over the period under the study meaning that the bank has been creating more assets from loans issued to clients.

The third ratio analyzed is gross loans to total deposits ratios. This ratio is the most preferred by financial analyses in financial institutions because customer's deposits are directly related to loans as the bank use customer deposits to offer loans to its clients. Therefore a collapse in loans extended to clients may affect depositors due to the fact that bank would become unable to pay back the amounts deposited by clients within it. According to BNR regulation N^{o}10/2009, banking institutions are required to keep this ratio less or equal to 80% as the industry standard. Findings from the figure above show that this ratio has been 71.1% in 2013; 72.6% in 2014; 79.7% in 2015 and 88.9% in 2016.The fact that this ratio has been less that the standard set by BNR is another indicator of good credit management through liquidity risk mitigation. The fourth ratio shown was the total liabilities to total Equity ratio which shows the level of Liquidity of the bank in terms of liabilities compared to total Equity of the bank. This ratio has been fluctuating around 5 for the period under the study where in 2013 the ratio was 5times,in 2014 it was 4.4times in 2015 the ratio was 4.7times while in 2016 the ratio was 4.9 times. It means that in 2013 the Equity of the ban was 5times the amount of the liabilities. This implies that the bank has been sound in terms of liquidity risk mitigation.

The fifth ratio analyzed is the Non performing loans to total loans ratio. The quality of loan portfolio determines the profitability of banks. The loan portfolio quality has a direct bearing on bank profitability. The highest risk facing a bank is the losses derived from delinquent loans (Dang, 2011). Thus, nonperforming loan ratios are the best proxies for asset quality. Non-performing loan ratio measures the probability for future losses based on the current performance of the portfolio. It is the most widely accepted ratio to assess the quality of portfolio. It is measured by dividing outstanding loans with delay over 30 days including renegotiated loans by the entire loan portfolio. According to BNR regulation n^{o}02/2011, the ratio of Non-performing loan should be maintained at rate not more than 5% for all financial institutions operating in Rwanda. During the period under the study this ratio was 6.9% in 2013,6.6% in 2014,4.9% in 2015 and 4.5% in 2016.This finding is a key indicator of good performance in terms of credit management as the ratio was kept decreasing for the period under the study.

The last ratio analyzed was capital Adequacy ratio. According to Dang (2011), the adequacy of capital is judged on the basis of capital adequacy ratio (CAR). Capital adequacy is a measure of bank`s financial strength since it shows the ability to withstand/ tolerate with operational and abnormal losses. It also represents the ability to undertake additional business (Habtamu, 2012). As noted by Makri et al.(2014), capital adequacy ratio is a measure of the amount of a bank's capital expressed as a percentage of its risk weighted credit exposures. This means that as capital adequacy ratio increase it is expected that profitability of a bank to increase, because the bank has enough buffers against bankruptcy or insolvency. Capital adequacy ratio measures capital strength and determines whether the banks have sufficient capital against existing and potential losses from credit risk. Thus, this ratio is used to protect depositors and promote stability and efficiency of financial systems. It is measured by total Equity to total asset ratio.

In banking industry it proposed to maintain the minimum risk-based capital ratio requirements of 8.0 percent total qualifying capital to total risk-weighted assets. During the period under the study the CAR of BK has been high compared to industry standard where in 2013 this ratio was 23.7%, in 2014 the ratio was 26.3%, in 2015 the ratio was 22.5% and finally 19.6% in 2016.this shows that BK has been in good position concerning capital adequacy which minimized the risk related to credit within this bank.

Table 3: Descriptive Statistics

Ratio	Mean	Standard Deviation	Minimum	Maximum
ROA ratio	0.0385	0.0023	0.035	0.04
Gross loan to Total asset ratio	0.55375	0.0575	0.502	0.623
Gross loan to total deposit ratio	0.78075	0.0813	0.711	0.889
Total liabilities to total Equity ratio	4.75	0.0026	4.4	5
Non- performing loan to total loans ratio	0.05725	0.0120	0.045	0.069
Capital adequacy ratio	0.23025	0.0278	0.196	0.263

The table above indicates the variation of different key financial ratio within bank of Kigali where the return on assets ROA has a mean of 3.8% with the minimum value of 3.5% and a maximum of 4%.The gross loan to total assets ratio has a mean of 55.3%, a minimum of 50.2% and a maximum of 62.3% this shows that the assets of the bank in form of loans increased over period. Gross loan to total deposit ratio of the bank has a mean of 78% with a minimum of 71.1% and a maximum of 88.9% this show that the bank fluctuated around 80% required by the national bank regulation. Total liabilities to total Equity ratio has a mean of 4.75 times and a minimum of 4.4times and a maximum of 5times this shows that the Equity of the bank has been 4.4times the liabilities on average. on- performing loan to total loans ratio has a mean of 5.7%with a minimum of 4.5% and a maximum of 6.9%.Given the findings the bank has not complied with the 5%required by the BNR regulation concerning NPL ratio required by commercial bank to remain financially sound. The last ratio was Capital adequacy ratio with a mean of 23% and a minimum of 19.6% and a maximum of 26.3% and this is a good indicator of good bank financial adequacy as this ratio has been higher than the 8% required by standards.

Table 4: Correlations

			ROA	Client Appraisal	credit risk control	collection policy
Spearman's rho	ROA	Correlation Coefficient	1.000	.810**	.917**	.471**
		Sig. (1-tailed)	.	.000	.000	.000
		N	57	57	57	57
	Client Appraisal	Correlation Coefficient	.810**	1.000	.825**	.406**
		Sig. (1-tailed)	.000	.	.000	.001
		N	57	57	57	57
	credit risk control	Correlation Coefficient	.917**	.825**	1.000	.431**
		Sig. (1-tailed)	.000	.000	.	.000
		N	57	57	57	57
	collection policy	Correlation Coefficient	.471**	.406**	.431**	1.000
		Sig. (1-tailed)	.000	.001	.000	.
		N	57	57	57	57
**. Correlation is significant at the 0.01 level (1-tailed).						

Results have proven the significant negative relationship between client appraisal and performance in terms of increased ROA (r = 0.81,),This implies that an increase in client appraisal is associated with an in ROA; credit risk control was found to be positively correlated to ROA with linear relationship (r =0.917); This implies that an increase in credit risk control is associated with an increase in ROA, and collection policy (positive) linear relationship, (r = 0.471) this implies that an increase in collection policy is associated with a moderate increase in ROA . From the above findings, it is seen that credit management viewed through, client appraisal, credit risk and collection policy has an effect on financial performance of BK viewed in terms of ROA. These findings are in part in line with (Uwuigbe, 2015) who found that ratio of credit management do have a significant positive effect on the performance of banks in Nigeria. Hence, noting the fact that bad debts destroy banks loan which are banks earning assets, the study concludes that banks management should establish sound lending policies, adequate credit administration procedure and an effective and efficient machinery to monitor lending function with established guidelines.

Table 5: Level of agreement on collection policy of BK

Statement	**S A**	**A**	**N**	**D**	**Mean**	**Std.dev**
Bank of Kigali use great extent of collection policy in credit management	45(78.9%)	6(10.5%)	6(10.5%)	0	1.31	0.65
Available collection policies have assisted towards effective credit management	37(64.9%)	12(21.1%)	3(5.3%)	5(8.8%)	1.54	0.86
Formulation of collection policies have been a challenge in credit management	40(70.2%)	11(19.3%)	6(10.5%)	0	1.40	0.67
Enforcement of guarantee policies provides chances for loan recovery in case of loans	43(75.4%)	10(17.5%)	4(7%)	0	1.31	0.60

defaults						
Staff incentives are effective in improving recovery of delinquent loans	45(78.9%)	3(5.3%)	2(3.5%	7(12.3%)	1.49	1.03
Regular reviews have been done on collection policies to improve states of credit management	41(71.9%)	12(21.1%)	2(3.5%)	2(3.5%)	1.38	0.72
A stringent policy is more effective in debt recovery than a lenient policy	35(61.4%)	13(22.8%)	9(15.8%)	0	1.70	1.08

SA=strongly agree A=Agree N=Neutral D= Disagree SD=strongly disagree

Source: Primary data (2018)

The study sought to establish the level at which respondents agreed or disagreed with the above statements relating to collection policy of BK. Bank of Kigali use great extent of collection policy in credit management s shown by a mean of 1.31; Enforcement of guarantee policies provides chances for loan recovery in case of loans defaults as shown by a mean of 1.33, Regular reviews have been done on collection policies to improve states of credit management as shown by mean of 1.38; Formulation of collection policies have been a challenge in credit management as shown by a mean of 1.40; Staff incentives are effective in improving recovery of delinquent loans as shown by a mean of 1.49, Available collection policies have assisted towards effective credit management as shown by mean 1.54 and finally A stringent policy is more effective in debt recovery than a lenient policy as shown by mean 1.70.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.774[a]	.599	.576	.47049	.599	26.399	3	53	.000

a. Predictors: (Constant), collection policy, client appraisal, credit risk control

The findings on table above indicates that the R square value (Coefficient of determination) is .599 which indicates the independent variables (Client Appraisal , Credit risk controls, Collection policy) explain only 59.9% of the variation in financial performance of Bk. The other 40.1% is explained by other factors outside the model and the error term. Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of adjusted R squared was 0.576 an indication that there was variation of 57.6% on financial performance of BK due to changes in client appraisal, credit risk control and collection policy at 95% confidence interval. This shows that 57.6% changes in financial performance of BK could be accounted for by client appraisal, credit risk control and collection policy is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by R Square of 0.599.

Table 7: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.531	3	5.844	26.399	.000[b]
	Residual	11.732	53	.221		
	Total	29.263	56			

a. Dependent Variable: Financial performance(ROA)

b. Predictors: (Constant), collection policy, client appraisal, credit risk control

From the ANOVA statistics in table above, the processed data, which is the population parameters, had a significance level of $.000^b$ which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. There is an indication that client appraisal, credit risk control and collection policy significantly influences financial performance of BK. The significance value was less than 0.05 indications that the model was statistically significant.

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.169	.171		.986	.329
	client appraisal	.386	.224	.335	1.724	.041
	credit risk control	.172	.143	.234	1.203	.023
	collection policy	.287	.307	.243	.936	.035

From the data in the above table the established regression equation was:

$$Y = 0.169 + 0.335X1 + 0.234X2 + 0.243X3$$

From the above regression equation it was revealed that holding client appraisal , credit risk control and collection policy to a constant zero , financial performance of BK would be 0.169 , a unit increase in client appraisal would lead to increase in performance of BK by a factor of 0.335, a unit increase in credit risk control would lead to increase in performance of BK by a factor of 0.234 and also unit increase in collection policy would lead to increase in performance of BK by a factor of 0.243. The study also found that the p-values for client's appraisal and credit risk control were less that 0.05 an indication that the variables were statistically significant in influencing financial performance of BK. From research finding as shown on Table 4.12, The regression analysis also yields an F-statistic where if the calculated F-value is greater than the critical or tabled F-value, the prediction will be rejected. In this study, the significance value is .000 which is less that 0.05 thus the model is statistically significant in predicting client appraisal, credit risk control and collection policy. The F critical at 5% level of significance was 2.84. Since F calculated is greater than the F critical (value = 26.3), this shows that the overall model was significant. Findings from this study is in line with Sindani (2012) in her study on Effectiveness of Credit Management System on Loan Performance: She found that Credit risk controls adopted by microfinance institutions have positive effect on financial performance

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

From the findings, the study found that client appraisal; credit risk control and collection policy had effect on financial performance of BK. The study established that there was strong relationship between financial performance of BK and client appraisal, credit risk control and collection policy.

The study revealed that a unit increase in client appraisal would lead to increase in financial performance of BK; this is an indication that there was positive association between client appraisal and financial performance of BK, where a unit increase in client appraisal would lead to increase in performance of BK by a factor of 0.335, a unit increase in credit risk control would lead to increase in performance of BK by a factor of 0.234 and also unit increase in collection policy would lead to increase in performance of BK by a factor of 0.243.However collection policy was found to statistically not influencing the financial performance of BK. All variables jointly taken together were found to significantly influence financial performance of BK.

7.2 Recommendations

- Basing on the above findings the management of BK need to be cautious in setting up a credit policy that will not negatively affects profitability and also they need to know how credit policy affects the operation of their banks to ensure judicious utilization of deposits and maximization of profit. Improper credit risk management reduce the bank profitability, affects the quality of its assets and increase loan losses and non-performing loan which may eventually lead to financial distress.

- The study recommends that banks should enhance their collection policy by adapting a more stringent policy to a lenient policy for effective debt recovery. The study also recommends that there is need for BK to enhance their client appraisal techniques so as to improve their financial performance. Through client appraisal techniques, the BK will be able to know credit worth clients and thus reduce their non-performing loans. There is also need for BK to enhance their credit risk control this would help in decreasing default levels as well as their non-performing loans. This will help in improving their financial performance.

- BK should establish credit policies and standards that conform to regulatory requirements and the bank's overall objectives to further reduce the level of their credit risk exposure.

- The bank should give more attention and utilization on the bank specific factors than both the industry and macroeconomic factors as those external factors on banks performance is not significant.

7.3 Areas for further researcher

The study sought to determine the effect of credit management on the financial performance of BK. Further research is recommended on the effect of Credit risk management on performance of commercial banks in Rwanda. Further research should also be done on the relationship between credit management and nonperforming loans on Commercial banks in Rwanda and on the reasons for loan default in microfinance organizations from the clients‟ perspective. The study suggests that further studies should include a qualitative analysis of the relationship between credit management and financial performance of banks. Such a study would involve interview of key informants in the banking sector and would provide hidden insights into the intricate relationship between credit management and financial performance of banks.

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