



CREDIT MANAGEMENT PRACTICES, LOAN REPAYMENT MANAGEMENT AND PROFITABILITY OF COMMERCIAL BANKS' BRANCHES IN UGANDA

ABSTRACT

The study examined the relationship between credit management practices, loan repayment management and profitability of commercial banks branches in Uganda. The objectives included: to establish the relationship between credit management practices and profitability; relationship between loan repayment management and profitability; mediating effect of loan repayment management and profitability. The study further ascertained a partial mediation of loan repayment management in the relationship between credit management practices and profitability. Furthermore, the study revealed that jointly credit management practices and loan repayment management predict profitability of commercial bank branches. More so, the study established that the best predictor of profitability is loan repayment management. The study concludes that credit management practices and loan repayment management are among the critical factors influencing profitability at commercial bank branch level. Moreover, the more branches emphasized loan repayment management practices, the more profitable they will become. The study recommends commercial bank branches to carry out continuous loan monitoring and control; loan appraisal; and proper documentation.