

**EFFECTS OF CREDIT RISK MANAGEMENT ON FINANCIAL PERFORMANCE OF
SACCOS IN KENYA
(A CASE OF MWALIMU SACCO)**

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ABSTRACT

Credit risk has always been a vicinity of concern not only to bankers but to the entire business world because the risks of a trading partner not fulfilling his obligations in full on due date can seriously jeopardize the affairs of the other partner. This study sought to establish the effect of credit risk management on the financial performance of Saccos in Kenya. The study was guided by the following objectives; to establish the effect of credit risk policy on the financial performance of Saccos in Kenya, to establish the effect of credit risk monitoring on the financial performance of Saccos in Kenya, to establish the effect of debt risk identification on the financial performance of Saccos in Kenya and to establish the effect of credit risk governance on the financial performance of Saccos in Kenya. The research design that was used is descriptive. The target population of the study was the departmental managers of the Mwalimu Sacco society. The study employed Stratified random sampling technique to select 42 respondents. The study employed a questionnaire to collect primary data which was comprised of both open and closed-ended questions. Descriptive statistics such as frequencies, percentages, means and standard deviation were used to report and present the data. This was done using Statistical Package for Social Sciences (SPSS) as it is comprehensive and offers extensive data handling capacity.