FACTORS AFFECTING CREDIT ACCESSIBILITY IN UGANDA:

A CASE STUDY OF BARCLAYS BANK-UGANDA

BY

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF STATISTICS AND APPLIED ECONOMICS MAKERERE UNIVERSITY IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS OF AWARD OF THE DEGREE OF BACHELORS OF SCIENCE IN BUSINESS STATISTICS

DECEMBER 2018
DECLARATION

I, Ankunda Maxin declare that this is my original work and has not been presented for any degree in any institution of higher learning here or elsewhere.

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APPROVAL

This dissertation has been written under my supervision and has been submitted for the award of the degree of Bachelor of Science in Business Statistics with my approval as supervisor.

Signature...........................................Date.../....../2018

Name: Dr. Tom Makumbi Nyanzi
DEDICATION

Special dedication of this work go to the Almighty God, my parents who gave birth to me and showed me that hard work always pays and my sisters, brothers and my family for their great support, encouragement, kindness and good things they have done for me during my period of study.
ACKNOWLEDGEMENTS

My sincere heartfelt appreciation goes to the Almighty God who has granted me life, provision of friends, parents, relatives and success throughout my studies. It is by the Grace of God that I was able to complete this work. I am indebted to thank all persons upon their tireless efforts towards the success of this report and the compilation. I benefited a lot from the support of very many individuals.

In a special way, I would like to register my gratitude to the lectures of School of Statistics who have given me an opportunity to learn various skills and widened my knowledge especially my supervisor Dr. Tom Makumbi Nyanzi for his devotion towards training, encouraging and guiding me in compilation of this research project report.

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I am grateful to the people that are clients of Barclays bank who participated in this study by sparing their valuable time to fill the questionnaires. The managers of these branches Kasanga, Wandegeya and Katwe branches in Kampala thank you for allowing me in your banks to administer questionnaires to your clients.

I wish to express my appreciation to my brothers, my family and in laws for the all-round support they have given me in finishing my studies. I also can’t forget to acknowledge the contribution of all my friends and course mates upon their discussions and reminders lie in the success of this study.

May the Almighty God bless you All.
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<th>Description</th>
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<tr>
<td>BAG</td>
<td>Barclays Africa Group</td>
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<td>BBU</td>
<td>Barclays Bank of Uganda</td>
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<td>BOU</td>
<td>Bank of Uganda</td>
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<td>CSAB</td>
<td>Civil Society Budget Advisory Group</td>
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<td>CGAP</td>
<td>Consultant Group to Assist the Poor</td>
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<tr>
<td>EPRC</td>
<td>Economic Policy Research Center</td>
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<td>FSDU</td>
<td>Financial Sector Deepening Uganda</td>
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<tr>
<td>LDC</td>
<td>Least Developed Country</td>
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<td>MPPED</td>
<td>Ministry of Finance, Planning and Economic Development</td>
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<td>NPLs</td>
<td>Non-Performing Loans</td>
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<td>SME</td>
<td>Small Medium Enterprise</td>
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<td>SPPS</td>
<td>Statistical Package for Social Sciences</td>
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<td>SRS</td>
<td>Simple Random Sampling</td>
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ABSTRACT

The topic under study was “Factors affecting credit accessibility in Uganda;” a case study of Barclays Bank-Uganda. Data was collected using questionnaires, the main tool of data collection. The data collected was edited, coded and entered in SPSS version 16.0 for analysis. A sample size of 72 clients was selected using simple random sampling.

Majority of the respondents that were interviewed were females (76.39%) and the males were (23.61%) in the age group of 24 to 29 years. (72.22%) who were also the majority of the respondents attained secondary as their highest level of education and 54.17% of the respondents carried out trading as their major source of income who were also the majority.

Chi-square, a non-parametric test was used to test how different factors affect credit accessibility in Uganda. Hypotheses were tested at 95% significance level. Results from the study showed that chi-square values 0.327 for interest rate, 0.018 for banks’ willingness to extend credit to clients and 0.168 for strategies to scale up clients’ access to credit, were the highest chi-square values and therefore represented the highest significant level effect on credit accessibility while Chi-square values 0.013 for terms of credit and 0.01 for collateral security represented the lowest chi-square values and therefore lowest significant level effect on credit accessibility in Uganda.

Basing on the findings of the study, commercial banks should charge affordable, flexible and realistic terms of credit and collateral security rates to their clients. And since it is a primary preoccupation of commercial banks to offer credit to as many customers as possible, this will improve their capacity, performance and efforts. Basing on the findings still the Government should intervene to improve performance of commercial banks and other credit reference bodies by putting in place policies and strategies to scale up clients’ access to credit and reduction interest rates on credit.
CHAPTER ONE:
INTRODUCTION

1.1 Background of the study
Commercial banks play a vital role in promoting sustainable and balanced growth in any economy (Beattie, 2013). This has precipitated most governments and development organizations to focus on the promotion of commercial banks as a way of encouraging broader participation in the private sector and the economy (Khambata, 1996). Cognizant of this role, the Uganda government pays closer attention to the banking industry (MFPED, 2015). The industry is growing but of recent the performance of commercial banks has been a center of discussion in many countries both in developed and LDCs (BOU, 2015).

In Uganda, there are 25 licensed commercial Banks as of December 2016 (BOU, 2016). The main role of banks is to accept deposits from the public and extend loans and other services to the clients (Rukundo, 2006). Commercial banks should lend as much as possible at a relatively low interest rate in order to make profits (Ennis, H.M.; Fessenden, H.; and Walter, J. R.; 2016). However, there are a number of factors that affect credit accessibility by clients of commercial banks in Uganda. According to Stiglitz (1990), credit accessibility is said to be constrained by a number of factors including among others ignorance of the rural poor about sources of credit which is compounded by poor marketing by credit firms and lending houses.

Elucidating on why access to credit is difficult, Chan and Thakor (1987) propounds that in many transactions of credit markets, collateral is pledged in exchange for the receipt of a loan and is said to reduce the cost to the lenders of a loan and the moral hazard associated with lending. In addition to conditions like providing collateral, bearing the burden of high interest rates, borrowers contend with other conditions that are imposed on the loans that they contract such as securing guarantors (Bell, 1990). BOU (2016) lists Barclays Bank of Uganda as one of the banks that are adhering to this code of lending. Started in Uganda in 1927 with only two branches in Kampala and Jinja, the bank strengthened its presence in the country with the acquisition of Nile Bank in 2006. Before 2006, the bank focused on meeting the banking needs of only large corporations and high-net-worth individuals. That focus was loosened to include SMEs and regular customers. According to the Barclays Africa Group (BAG) which is the parent of Barclays Bank of Uganda, Barclays Bank, as it is popularly known in Uganda was the
fifth-largest commercial bank in Uganda, with assets valued at UGX: 1.4 trillion in 2014. At that time, the bank had 136,000 account holders, 42 branches, and 85 ATM outlets and employed 850 staff (BAG, 2014). The bank is primarily involved in meeting the banking needs of individuals, small- and medium-sized businesses (SMEs), and large corporations (BOU, 2016). From 1927 to 2017 today, Barclays bank is ninety-years in its operation in Uganda.

1.2 Problem Statement

More than two thirds of persons that open bank accounts want to access loans. The necessity of loans cannot be overemphasized. From business persons that need to expand their business, acquire specific capital goods or enter a new market to individuals that need to acquire assets, pay for school fees or fulfill other requirements, there is overwhelming demand for loans. Whereas it is the primary preoccupation of banks to offer credit and banks have these days been deliberate in expending efforts to strengthen their capacity to offer credit such as opening new branches and recruiting credit officers, not every client that applies for a loan in a bank actually receives the loan. The relationship between banks’ willingness to extend credit to all clients that apply for credit will form the crux of this study. Due to time and resource constraints and the diversity of the sector, the study will focus on the three Barclays Bank branches of Kansanga, Wandegeya and Katwe.

1.3 Objectives of the study

1.3.1 Main objective of the study

The main objective of the study is to establish the factors affecting credit accessibility in Uganda, a case study of Barclays bank-Uganda.

1.3.2 Specific objectives

i. To establish the relationship between terms of credit prescribed by commercial banks in Uganda and credit accessibility.

ii. To find out the relationship between banks’ collateral security and credit accessibility.

iii. To establish the relationship between banks’ interest rates and credit accessibility.

iv. To establish the relationship between banks’ willingness to extend credit to clients and credit accessibility.
v. To advance the relationship between strategies for improving clients’ accessibility to credit in Uganda and credit accessibility.

1.4 Hypotheses of the study

**Hypothesis one**

\( H_{01} \): There is no significant relationship between terms of credit prescribed by commercial banks in Uganda and credit accessibility.

\( H_{a1} \): There is a significant relationship between terms of credit prescribed by commercial banks in Uganda and credit accessibility.

**Hypothesis two**

\( H_{02} \): There is no significant relationship between banks’ collateral security and credit accessibility.

\( H_{a2} \): There is a significant relationship between banks’ collateral security and credit accessibility.

**Hypothesis three**

\( H_{03} \): There is no significant relationship between banks’ interest rate and credit accessibility.

\( H_{a3} \): There is a significant relationship between banks’ interest rate and credit accessibility.

**Hypothesis four**

\( H_{04} \): There is no significant relationship between banks’ willingness to extend credit to clients and credit accessibility.

\( H_{a4} \): There is a significant relationship between banks’ willingness to extend credit to clients and credit accessibility.

**Hypothesis five**

\( H_{05} \): There is no significant relationship between the strategies to scale up clients’ access to credit and accessibility.
H_{a5} : There is a significant relationship between the strategies to scale up clients access to credit and credit accessibility.

1.5 Significance of the study

The study is significant in the following ways;

To know and understand the key variables which affect credit accessibility by clients of commercial banks in Uganda. As commercial banks strive to improve the terms of credit in a bid to serve as many customers as possible who want to access loans from their banks and providing insights into the terms of credit normally prescribed by them, this will be of special necessity to clients that normally flock to banks in need of credit. Customers will also benefit from the knowledge on banks' willingness to extend credit to specific borrowers and most importantly what they can do to improve their credit worthiness.

The study is important to various policy makers, stakeholders and including the Government through its stakeholders that benefit from research, financial regulators will also find the findings of the study relevant especially the strategies to improve clients’ accessibility, since it is their preoccupation to make banking services accessible to all. The civil society and other policy advocates will as well find the findings of the study useful as they mount campaigns to make banking services available and affordable for all.

1.6 Report outline

The dissertation is presented in five chapters. Chapter one presents the introduction, comprising of the background of the study, statement of the problem, objectives of the study, research questions and the significance of the study.

In chapter two, the literature covers the terms of credit prescribed by banks in Uganda, banks' collateral security, banks' interest rates, banks willingness to extend credit to certain clients; and the strategies for improving clients' accessibility to credit in Uganda. The research is going to benefit the banking sector and other financial institutions, users of banks in Uganda and those who have not yet used or utilized the banks and it will also benefit other state bodies and beneficiaries.
Chapter three describes the study methodology used, data sources, sampling design that includes (determining sample size and selection of respondents), data analysis which includes (descriptive analysis and hypothesis testing). Chapter four covers the presentation of findings in line with the objectives. The findings which are critically analyzed are presented by use of pie-charts, bar graphs, tables and figures. And Chapter five contains the summary of findings, conclusions and recommendations from the study of this project.
CHAPTER TWO:
LITERATURE REVIEW

2.1 Introduction
This chapter represents literature review of this topic under study. It covers what other scholars, authors, publications, credit reference bodies, state bodies, different Governments and others what they discuss in relation to factors which affect credit accessibility by banks and other financial institutions in Uganda and other countries.

In this chapter, some of the factors in line with the objectives the researcher covered were; the terms of credit prescribed by banks in Uganda, collateral security, interest rates, banks' willingness to extend credit to clients in Uganda and strategies to scale up clients access to credit. This chapter also covers the summary which aims at closing these gaps and other gaps so as to grow the body of knowledge about credit accessibility by clients of commercial banks, other financial institutions, credit reference bodies, the government and others.

2.2 Terms of Credit prescribed by Commercial Banks and credit accessibility
The legendary Webster Dictionary defines Credit as the trust which allows one party to provide money or resources to another party where that second party does not reimburse the first party immediately (thereby generating a debt), but instead promises either to repay or return those resources (or other materials of equal value) at a later date (Credit def.2c) but the industry definition is best espoused by Simkovic (2016) who stated that credit is a method of making reciprocity formal, legally enforceable, and extensible to a large group of unrelated people.

Economists O'Sullivan & Sheffrin (2003) concur with the former but go ahead to define the basic concepts in lending propounding that the resources provided may be financial (e.g. granting a loan), or they may consist of goods or services (e.g. consumer credit). Credit encompasses any form of deferred payment. According to the duo, credit is extended by a creditor, also known as a lender, to a debtor, also known as a borrower. Ingham (2004) enriches the discussion on the definition of credit arguing that credit does not necessarily require money. The credit concept can be applied in barter economies as well, based on the direct exchange of goods and services. The writer however emphasizes that in modern societies, credit is usually denominated by a unit of account.
The Bank of England in one of its annual publications weighs in on the discussion of credit by hinting on the major sources of credit (Bank of England, 2014). According to the publication, bank issued credit makes up the largest proportion of credit in existence. The traditional view of banks as intermediaries between savers and borrower is incorrect. Modern banking is about credit creation (Bank of England, 2014). To put the topic into perspective, studies by Chan and Thakor (1987) become relevant. According to the writers, in many transactions of credit markets, collateral is pledged in exchange for the receipt of a loan. This view is widely accepted by the Bank of England (2014) which argues that the requirement for collateral reduces the cost to the lenders of a loan and the moral hazard associated with lending. The view that loans have to be collateralized is also shared by previous writers such as Stiglitz (1987). The 2001 Nobel Peace Laureate acknowledges the necessity of collateral arguing that it huge collateral requirements ensure that loans are available to borrowers with less risky investments and goes ahead to identify interest rates as a major credit term.

In economics, the rate of interest is the price of credit, and it plays the role of the cost of capital. In a free market economy, interest rates are subject to the law of supply and demand of the money supply, and one explanation of the tendency of interest rates to be generally greater than zero is the scarcity of loanable funds (Lando, 2004). The proposition by Lando (2004) that all loans attract interest however does not take cognizance of Islamic Banking which does not charge interest on loans. To explain why in Islamic Banking there are no interest rates, Karwowski (2009) propounds that an Islamic bank also lends money to people. But it is kind of a business agreement between the bank and the borrower. The borrower will run the business while the bank will look over. The profit of that business will be shared between the bank and the borrower in a prefixed rate documented earlier in the agreement.

The essence of agreements as prerequisites in lending is well elaborated by Stern (2001). According to this commercial layer, a loan agreement is a contract between a borrower and a lender which regulates the mutual promises made by each party. There are many types of loan agreements, including "facilities agreements," "revolvers," "term loans," "working capital loans." Loan agreements are documented via a compilation of the various mutual promises made by the involved parties. Stern (2001) further propounds that prior to entering into a loan agreement, the "borrower" first makes representations about his affairs surrounding his
character, creditworthiness, cash flow, and any collateral that he may have available to pledge as security for a loan. These representations are taken into consideration and the lender then determines under what conditions (terms), if any, they are prepared to advance money. Pritchard (2007) concurs with Stern (2001) and goes on to elaborate that the loan agreement specifies the loan amount, term, interest rate, and other enforceable conditions agreed to by the borrower and the lender. Pritchard (2007) makes a detailed case for loan agreements urging borrowers to always state the truths while making loan applications. Pritchard (2007) argues that lenders base on the information indicated in feasibility studies to extend big loans noting that it is foolhardy to point a flowery picture of a business in a feasibility study. In an earlier publication, Gumpert (1994) propounds that as the name implies, a feasibility study is used to determine the viability of an idea. The objective of such a study is to ensure that the project is legally and technically feasible and economically justifiable. Gumpert (1994) concludes by noting that the feasibility study tells whether a project is worth the investment and also beckons on borrowers to always be truthful. The need for feasibility studies notwithstanding, most borrowers fail to access credit because of ignorance.

According to Stiglitz (1990) the problem of borrowers ignorant about the availability, criteria and prerequisites for accessing loans is common among the rural poor. He argues that the problem is further compounded by poor marketing on the part of credit firms and lending houses. In a detailed publication about why borrowers fail to access credit, Stiglitz (1990) also advances an argument pitying lenders against borrowers noting that sometimes the lenders fail to screen properly in the face of many clients. He says that sometimes genuine and credible borrowers are screened away due to banks inherent fear of taking on risky borrowers.

2.3 Collateral security and credit accessibility

Gone are the days when banks would give out credit to all prospective borrowers. The increased prevalence of Non-Performing Loans (NPLs) has precipitated banks to think of innovative ways to ration credit. And that is how the role of collateral security in rationing credit comes into play (Hellmann and stiglitz, 2000). The legendary (Hellmann and stiglitz, 2000) define collateral security as a property or other asset that a borrower offers as a way for a lender to secure the loan. If the borrower stops making the promised loan payments, the lender can seize the collateral to recoup its losses. According to Hellman and Stiglitz (2000), borrowers have
become notorious in withholding vital information that would be used to determine their credit worthiness. The quality of the collateral security pledged helps to reduce this information asymmetric in lending. The view that the amount of collateral pledged brings truthfulness and discipline among borrowers is widely share by many authors. According to Menkhoff et al. (2006); Hernandez-Cana novas and Martínez-Solano (2006); Chakraborty and Hu (2006); Brick and Palia (2007), collateral seems to play a disciplinary role in the behavior of the borrower thus solving the moral hazard problem. The authors make a detailed explanation noting that the borrower who has pledged considerable and genuine collateral as security tends to be more truthful in his or her declaration in fear of losing the property pledged. In a separate publication, Brick and Palia (2007) put up a spirited defense for secured loans arguing that secured loans are less risky to lenders since the property gives the borrower a compelling reason to continue payment. If a borrower fails to make necessary payments, the lending institution can repossess the property to cover the remainder of the loan.

The view that the collateral pledged influences the truthful quality of information provided to lenders is however watered down by assertions from Lehmann and Neuberger (2001) and Jimenez, et al (2006) who attributed untrue information provided by borrowers to a deficient research framework on the part of lenders. These authors beckon lenders to a deficient research framework on part of lenders. These authors beckon lenders to engage other informational asymmetry reducing tools such as the strength of the relationship, loan maturity, and covenants rather than banking on collateral securities.

Beaver (2002) weighs in on the discussion of collateral securities bringing into the fore the malice financial institutions have against small borrowers. According to Beaver (2002), whereas financial institutions have always emphasized the provision of collateral as a primary condition in lending, banks have always adopted a risk averse stance towards small firms, with an accompanying inability to focus on the income generating potential of the venture, when analyzing the likelihood of loan repayment. Beaver's proposition on malice is strongly shared by an online business website. In the site www.allbusiness.com, collateral is again highlighted as a major constraint to credit accessibility. In a survey conducted at the site, 92% of the small firms surveyed had applied for loans, and were rejected while others had decided not to apply since they knew they would not be granted for lack of collateral. Therefore, while, most of the
Central Bank will lower the interest rate in order to stimulate growth. The modern day economists argue that a low interest rate will reduce the cost of borrowing for consumers concluding that a possible outcome is that consumers will have greater access to funds and will therefore increase their spending, which stimulates the economy. Whereas Dun & Bradstreet (2017) attributes to the high cost to the Central Bank, Matovu & Okumu (2006) attribute the high interest on loans to the high cost of administration of overdue loans and defaulters. According to the Ugandan economists, the cost of administering Non-Performing Loans (NPLs) pushes up the lending cost without a corresponding increase in loans turnover. Matovu & Okumu (2006) assertions lend credence to earlier assertions by EPRC (1996) that defaulters of loans reduce financial institutions’ resource base for further lending. The economic think, tank affirms that NPLs weaken financial institutions’ staff morale and affect the borrower’s confidence. The consequence is that financial institutions set the risk premium sufficiently high to compensate for the risk lending to differentials in the required return and the expected return on a loan.

Dun & Bradstreet (2017) validates EPRC (1996) assertions on how banks going down under the heavy weight on NPLs tend to limit lending by charging exorbitant interest rates. The duo however has another bone of contention with banks that charge exorbitant interest rates. Dun & Bradstreet (2017) advance that another contributing factor to discouraging interest rates is the structural weakness inherent in banks in most developing countries, according to these modern day economists, banks do not have a stable source of funding and that is why they prefer to lend on short term basis and at a high interest rate. Short term loans are a problem to SMEs who seek funding over a number of years.

In conclusion, the issue of financial institutions charging high interest rates has been so rife in Uganda than in 2016 debate when capping interest rates came up (MFPED, 2017). Financial experts however beckon governments to go slow on capping interest rates (PWC, 2016). The international audit firms propounds that what is needed are long term solutions to address the money supply side constraint as well as dealing with the issue of Government borrowing and the relatively high cost of doing business in Uganda. Legislating for a cap on the interest a bank can charge on its loans, may be populist from a political perspective but will not improve the current problems we have in Uganda with regards to access to affordable finance.
2.5 Relationship between banks’ willingness to extend credit and credit accessibility

Whereas it is the major preoccupation for banks to extend credit, there are instances when banks refuse to lend to certain individuals, groups or corporate. Pritchard (2007) propounds that a borrowers’ credit history is one of the major criterions used by financial institutions while assessing one’s suitability for a loan. The author explains that credit history is a record of a borrower’s ability to repay debts and demonstrated responsibility in repaying debts. Pritchard (2007) goes in detail to explain how a borrower’s credit history consists of information such as: number and types of credit accounts, how long each account has been open, amounts owed, amount of available credit used, whether bills are paid on time, and number of recent credit inquiries. It also contains information regarding whether the borrower has any bankruptcies, liens, judgments or collections. He concludes by noting that when the history is bad, borrowers are always turned away or politely advised to come later.

While trumpeting the call for Islamic banking as an alternative to the traditional banking where banks charge colossal sums for interest, Karwowski (2009) argues that individuals and corporate are grappling with a poor credit history, preventing up to 40 per cent of the people from getting accepted for a credit card, loan or even a phone contract. Karwowski (2009) points out that it is futile to attempt seeking a loan when you already have an uncleared loan, overdraft or mortgage noting that experience shows that a multiple borrower may never succeed in servicing any of his or obligations. The Bank of England (2014) concurs with Karwowski (2009) on how multiple borrowers are an anathema in banking and goes on to explain how banks have been urged to take particular interest in persons that have had any history of bankruptcy and commercial court judgments against them concluding that they are risky to lend to.

The Bank of England (2014) however is quick to add that someone’s credit history should not be used alone in determining whether one is eligible for a loan. The Central Bank argues that the credit history should be considered alongside the lenders’ criteria to decide whether one is a safe bet to lend to, and what rate they are offering. Pritchard (2007) counsels that since it may be unavoidable to borrow, it is prudent to focus on building a good credit history so as to access credit whenever in need. He notes that having no history of ever borrowing is also a disservice since lenders may be cautious to deal with you. The Bank of England (2014), concurs with
Pritchard (2007) on this noting that nearly a fifth (17 per cent) of first time borrowers where in 2013 turned away by banks for having no credit history.

2.6 Strategies to scale up client’s access to credit and credit accessibility

Access to credit services for the poor will contribute to the eradication of poverty in many ways. Credit services enable the poor to increase and diversify incomes, build human, social and economic assets, and improve their lives in ways that reflect the multi-dimensional aspects of poverty. Evidence shows that poor people choose to invest in a wide range of assets: better nutrition, improved health, access to schooling, a better roof on their homes, and expansion of their small businesses. Access to credit services is one of the keys to alleviating poverty and achieving sustainable economic growth (CGAP, 2004). Recognizing the importance of access to credit in alleviating poverty and achieving sustainable economic growth, the World Bank has beckoned governments to put in place policies and strategies that enhance access to credit. According to the World Bank, government financial policy instruments should only be used to ensure and/or improve access to financial services. The government’s primary role should be to ensure macro-economic stability, and a conducive legal and regulatory environment: laws with regards to collateral, titles to land, financial institutions, governance issues and policy instruments that stimulate desired development objectives (World Bank, 2005).

Aware that most customers have been turned away from credit due to high interest costs: financial experts have called upon financial institutions to charge interest rates sufficient to cover operational costs and the delivery of the financial service. This advice presumes that financial institutions have been charging high interest rates to also prop up their marketing and high end shareholder demands (Jones & Mitlin, 1999). In an earlier publication, Stiglitz and Karla (1990) make reference to the reduction of high interest rates so as to promote access to credit. The writers go on to make a case for interrelated credit contracts as a means to alleviate the problems of screening and enforcing loan conditions. This argument however is not supported by Udry (1990) who carried out a research in Northern Nigeria and found out that 96% of the traders in markets for whom interrelated credit contracts were being proposed, had members who had no connection at all. According to Udry (1990), the relationship between lenders and borrowers is expected to play an important role in enforcement of contracts. Stiglitz
and Karla (1990) do not necessarily oppose the proposal for lenders to create a relationship with borrowers. They however beckon on lenders to always encourage borrowers to take actions to reduce the likelihood of default. Such actions may include variations in interest rates, collateral, duration of payment and form of payment. Bell (1990) concurs with Stiglitz and Karla (1990) on encouraging borrowers to take actions that reduce the likelihood of default. He however strongly advocates for the lessening of conditions which financial institutions normally insist on before approving credit but which may not necessarily guarantee repayment. Bell (1990) for example down plays the importance of writing an agreement and providing witnesses noting that a person may go ahead to default loan repayment even after fulfilling those conditions. Rodriguez (1990) and Obwona (1996) just like Bell (1990) take cognizance of the need not to rely on wordy conditions but go ahead to advocate for the use of a threat to totally deny credit to induce behavior of an individual. They observed that reputation plays a big role in enforcement of credit contracts especially in the informal sector where borrowers have little of the collateral and other requirements to present before accessing credit.

Related to Rodriguez (1990) and Obwona (1996) proposition that credit contracts are easier to enforce in the informal sector which negates all conditions, Udry (1990) has documented that informal credit institutions have an advantage of being more flexible that formal credit institutions especially in risk sharing. He noted that informal players weather random production and consumption shocks and thus prefer to use informal credit institutions which are flexible with unconventional interest rate conditions. Pritchard (2007) on this noting that nearly a fifth (17 per cent) of first time borrowers where in 2013 turned away by banks for having no credit history.
2.7 Summary

The researcher has made a considerable review of the literature on terms of credit prescribed by banks, relationship between collateral security and credit accessibility, relationship between interest rate and credit accessibility, banks willingness to advance credit to certain clients and also advanced strategies for enhancing credit accessibility to clients.

It has been observed from the key facets of the study that there is still need to charge affordable and realistic interest rates, the effective screening of loan applicants to minimize defaults, the essence of an amicable relationship between lenders and borrowers, encouraging borrowers to take actions to reduce the likelihood of default, relaxation of unrealistic loan application requirements, flexing to respond to the production and consumption patterns of the economy in relation to behavior of borrowers and improving the risk sharing and risk appetite of commercial banks which is scanty. The research has aimed at closing these gaps and others so as to grow the body of knowledge on credit accessibility by clients of commercial banks, credit reference bodies, the Government and other stakeholders.
CHAPTER THREE

METHODOLOGY

3.1 Introduction
This chapter presents and describes the approaches and techniques the researcher used to collect and analyze data. It includes the Data sources which covers sampling design, determination of sample size and selection of respondents, data analysis which includes descriptive analysis and hypotheses testing.

3.2 Data Source
Primary data was used for the study. It was obtained through self-administered questionnaires, observation and interview guides to respondents directly from the field.

3.3 Sampling design
The study population constituted mainly the clients' of Barclays bank in Uganda from mainly the three case study branches of Barclays bank namely; Kasanga, Wandegeya and Katwe branches since they are the respondents expected to have the necessary information as regards the study.

3.3.1 Determination of sample size
The sample size \( n \) of this study was 72 clients who were selected from the respondents using simple random sampling technique. The following formula was used to determine the sample size. (Cochran’s method of sample size determination as illustrated below).

\[
 n = \frac{(z^2 a^2 pq)}{e^2}
\] ...

3.1

Where;
\( n \) the sample size of clients from each of the three branches, \( Z \) is the standard normal distribution that is the value showing the level of confidence which is 95% (\( z \) is the test statistic at 95% confidence interval), \( p \) is the estimated level of coverage to be investigated, \( q \) is the probability of failure and "\( e \)" is the desired precision.
Therefore; 

\[ p = \text{the proportion of respondents who access, borrow or get loans from the bank} \quad p = 0.95 \]

\[ q = 1 - p \quad \text{the proportion of the clients who do not access or borrow loans from the bank} \quad q = 0.05 \]

\[ z^2 \alpha/2 = \text{the standard z-statistic of normal distribution} \]

for \( n \geq 30 \), \( Z = 1.96 \)

\[ \alpha = 0.00253009 \]

\[ n = \frac{(z^2 \times p \times q)}{(\alpha^2)} \]

\[ n = \frac{(1.96^2 \times 0.95 \times 0.05)}{(0.00253009^2)} = 72 \]

Therefore 72 the total number of respondents the researcher interviewed during the study.

### 3.3.2 Selection of respondents

The selection of respondents was by proportionate stratification, the sample size of each stratum is proportionate to the population size of the stratum. Strata sample size is determined by the following equation;

\[ N_i n = \frac{N_i}{N} \times n \]

Where;

\( N_n \) The monthly sample size selected from stratum i,

\( N_i \) Are the clients for the stratum estimated for a month

\( N \) Is the estimated total clients for the month and

\( n \) Is total clients interviewed in the three branches.
Table 3.1 shows the distribution of respondents in three branches of Barclays bank namely; Kasanga, Wandegeya and Katwe branches. 24 number of clients/respondents were selected per branch using simple random sampling and 72 sample number of clients were interviewed.

Table 3.1: Distribution of clients per branch

<table>
<thead>
<tr>
<th>no.</th>
<th>Name of Branch</th>
<th>$N_i$ Monthly average number of clients who access credit in a branch</th>
<th>Sampled Number of clients n</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kansanga</td>
<td>50</td>
<td>24</td>
</tr>
<tr>
<td>2</td>
<td>Wandegeya</td>
<td>60</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Katwe</td>
<td>50</td>
<td>24</td>
</tr>
<tr>
<td>5</td>
<td>Total (N)</td>
<td>160</td>
<td>$N_n$ 72</td>
</tr>
</tbody>
</table>

*Source: by the Researcher*

3.4 Data Analysis

3.4.1 Descriptive Analysis

Data was analyzed quantitatively using descriptive statistics. It was analyzed using SPSS (Statistical Package for Social Sciences) with the aid of a computer. SPSS was mainly used for analysis of single variables and the results were presented in tables and charts showing percentages and counts. Descriptive statistics such as bar graphs, tables were also used for analysis of more than one variable according to the research objectives and interpreted to derive the meaning of the study.

3.4.2 Hypotheses testing

Chi-square, a non-parametric test was computed and used in establishment of relationship between categorical variables as seen by the formula below;

$$\chi^2 = \sum \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

With (r-1) (c-1) = degree of freedom
Where:

\[ \chi^2 = \text{Value of chi-square parameter from chi-square distribution} \]

c = Number of categories of dependent variables

\[ r = \text{Number of categories of independent variables} \]

\[ O_i = \text{Number of observed frequencies} \]

\[ E_{ij} = \text{Expected frequencies of type i asserted by null hypothesis} \]

n = the number of cells in the table

In order to investigate the association between the variable, dependent variable is cross tabulated with the independent variables using the chi-square test.

Level of significance \( \alpha = 0.05 \)

3.4.3. Decision rule

If chi-square calculated is greater than chi-square tabulated, we reject the null hypothesis. Reject the null hypothesis if \( p \leq 0.05 \), otherwise do not reject

If the p-value obtained was less than 0.05, we compared with significance level used in this case, i.e. \( \alpha = 0.05 \). The null hypothesis was rejected. This implies that the chance (p-value) from the calculated chi-square is smaller compared to the lower of significance (0.05). When the p-value obtained was less than 0.05.
CHAPTER FOUR
FACTORS AFFECTING CREDIT ACCESSIBILITY IN UGANDA: A CASE STUDY
OF BARCLAYS BANK-UGANDA

4.1 Introduction
This chapter presents the findings obtained from the study and the analysis. Descriptive analysis
and chi-square test were carried out at 5% level of significance to explain the field findings
based on the study while looking at different factors that affected the objectives of the study.

4.2. Distributive analysis of the respondents
4.2.1 Distribution of respondents by Gender
Figure 4.1 represents the percentage distribution of respondents by Gender. (23.61%) were male
and (76.39%) were females.

Figure 4.1: Percentage distribution of respondents by Gender

![Bar chart showing gender distribution]

The majority of the respondents were females 23.61% and the males were 76.39%; this means
that the majority that are females accessed credit from the bank.
4.2.2: Distribution of the respondents by Age

Table 4.1 represents distribution of respondents by age. Seventy eight (78) years represents the highest age and twenty four (24) represents the lowest number of years of the respondents. Out of seventy two (72) total number of respondents, 39 was the average age of clients who accessed credit from the bank.

Table 4.1: Distribution of respondents by Age

<table>
<thead>
<tr>
<th>Item</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Standard Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>24</td>
<td>78</td>
<td>39.07</td>
<td>1.430</td>
</tr>
<tr>
<td>Total (N)</td>
<td>72</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS

Figure 4.2 represents the education level of respondents. The results indicated that the majority of the respondents 72.22% attained secondary level of education and only 2.78% attained tertiary education and were the minority. 12.50% attained primary level of education, 5.56% attained university level of education and 6.94% were others.

4.2.3 Level of education of respondents in percentage

Figure 4.2: Level of education of respondents in percentage
4.2.4 Percentage distribution of respondents by major source of income

Figure 4.3: Percentage distribution of respondents by major source of income

Figure 4.3 represents percentage distribution of respondents by major source of income. 54.17% represent the majority whose major source of income was trading and 4.17% represents the least number of respondents whose major source of income was manufacturing. 5.56% represents farming as the major source of income, 26.39% represent respondents whose major source of income was from salaried employment and 9.72% others meaning the percentage of respondents whose major source of income was neither of the above mentioned.

4.3 Hypotheses Testing

Several hypotheses were tested using Pearson’s value obtained from the chi-square statistics that were computed using SPSS tool so as to draw conclusion on the significance of the relationship between the dependent variable and independent variables.
4.3.1 To assess the relationship between terms of credit prescribed by commercial banks and credit accessibility

The first objective of this study was to establish the relationship between terms of credit prescribed by commercial banks in Uganda and credit accessibility by testing the following hypothesis

$H_{01}$: There is no significant relationship between terms of credit prescribed by banks in Uganda and credit accessibility

$H_{a1}$: There is a significant relationship between terms of credit prescribed by commercial banks in Uganda and credit accessibility

Table 4.2: Cross tabulation between terms of credit and credit accessibility by client

<table>
<thead>
<tr>
<th>Terms of credit</th>
<th>Credit accessibility</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>5</td>
</tr>
<tr>
<td>Disagree</td>
<td>48</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>7</td>
</tr>
</tbody>
</table>

$\chi^2 = 0.013$  
$\text{df} = 1$  
$p$-value $= 0.018$

From table 4.2 since the computed (calculated) chi-square value (0.013) is less than the tabulated chi-square value (0.00393) at 5% level of significant; we do not reject the null hypothesis $H_{01}$ and conclude that there is no significant relationship between terms of credit prescribed by commercial banks and credit accessibility.

4.3.2 To establish the relationship between collateral security prescribed by commercial banks and credit accessibility

The second objective of this study was to establish the relationship between collateral security prescribed by commercial banks in Uganda and credit accessibility by testing the following hypothesis

$H_{02}$: There is no significant relationship between banks' collateral security and credit accessibility.
H_{a2} : There is a significant relationship between banks’ collateral security and credit accessibility.
Table 4.3: Cross tabulation between collateral security and credit accessibility

<table>
<thead>
<tr>
<th>Collateral security</th>
<th>Credit accessibility</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Agree</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>Disagree</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>39</td>
</tr>
</tbody>
</table>

\[ \chi^2 = 0.01 \quad \text{df} = 1 \quad \text{p-value} = 0.01 \]

From the table 4.3 since the computed (calculated) chi-square value (0.001) is less than the tabulated chi-square value (0.00393) at 5% level of significant; we do not reject the null hypothesis \( H_0 \) and conclude that there is no significant relationship between collateral security prescribed by commercial banks and credit accessibility.

4.3.3 To establish the relationship between interest rates prescribed by commercial banks and credit accessibility

The third objective of this study was to establish the relationship between interest rates prescribed by commercial banks in Uganda and credit accessibility by testing the following hypothesis

\( H_{03} \) : There is no significant relationship between banks’ interest rate and credit accessibility.

\( H_{a3} \) : There is a significant relationship between banks’ interest rate and credit accessibility.

Table 4.4: Cross tabulation between interest rates and credit accessibility

<table>
<thead>
<tr>
<th>Interest rates</th>
<th>Credit accessibility</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>55</td>
</tr>
</tbody>
</table>

\[ \chi^2 = 0.327 \quad \text{df} = 1 \quad \text{p-value} = 0.316 \]
From the table 4.4 since the computed (calculated) chi-square value (0.327) is greater than the tabulated chi-square value (0.00393) at 5% level of significant; we reject the null hypothesis \( H_{01} \) and conclude that there is a significant relationship between interest rates prescribed by commercial banks and credit accessibility.

4.3.4 To determine the relationship between banks’ willingness to extend credit to clients and credit accessibility

The fourth objective of this study was to establish the relationship between banks’ willingness to extend credit to clients and credit accessibility by testing the following hypothesis

\( H_{04} \): There is no significant relationship between banks’ willingness to extend credit to clients and credit accessibility.

\( H_{a4} \): There is a significant relationship between banks’ willingness to extend credit to clients and credit accessibility.

Table 4.5: Cross tabulation between banks’ willingness to extend credit to clients and credit accessibility

<table>
<thead>
<tr>
<th>banks’ willingness to extend credit to clients</th>
<th>Credit accessibility</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Agree</td>
<td>2</td>
<td>56</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>67</td>
</tr>
</tbody>
</table>

\( \chi^2 = 0.018 \)  
\[ df = 1 \]  
\[ p-value = 0.037 \]

From the table 4.5 since the computed (calculated) chi-square value (0.018) is greater than the tabulated chi-square value (0.00393) at 5% level of significant; we reject the null hypothesis \( H_{01} \) and conclude that there is a significant relationship between banks’ willingness to extend credit to clients and credit accessibility.
4.3.5 To assess the relationship between the strategies to scale up clients’ access to credit and credit accessibility

The fifth objective of this study was to assess the relationship between the strategies to scale up clients’ access to credit and credit accessibility by testing the following hypothesis

H₀₅: There is no significant relationship between the strategies to scale up clients’ access to credit and accessibility.
Hₐ₅: There is a significant relationship between the strategies to scale up clients access to credit and credit accessibility.

Table 4.6: Cross tabulation between strategies to scale up clients’ access to credit and credit accessibility

<table>
<thead>
<tr>
<th>Strategies to scale up clients’ access to credit</th>
<th>Credit accessibility</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Disagree</td>
<td>8</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>54</td>
</tr>
</tbody>
</table>

\[ \chi^2 = 0.168 \]
\[ \text{df} = 1 \]
\[ \text{p-value} = 0.170 \]

From the table 4.6 since the computed (calculated) chi-square value (0.168) is greater than the tabulated chi-square value (0.00393) at 5% level of significant; we reject the null hypothesis H₀₅ and conclude that there is a significant relationship between strategies to scale up clients’ access to credit and credit accessibility.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents a summary of conclusions, vital suggestions and recommendations for further research. It also summarizes findings in relation to major issues with respect to the objectives of the study.

5.2 Summary of findings
The study covered 72 respondents. Out of these 24% were males and 76% were females. The majority of the respondents attained secondary education as their highest level of education with 72.22% and the other majority (54.17%) carried out trading as the major source of income. The respondents concluded on various objectives as follows; terms of credit prescribed by commercial banks and collateral security do not affect credit accessibility by clients in Uganda. Interest rates, banks' willingness to extend credit to clients and strategies put in place by the government and other financial institutions in Uganda affect credit accessibility by clients.

5.3 Conclusions
From the findings carried out, the researcher concluded that terms of credit and collateral security prescribed by commercial banks to their clients do not necessarily affect credit accessibility but the problem is compounded by poor marketing on part of credit firms and lending houses and sometimes the lenders or banks fail to screen properly in the face of many clients thus genuine and credible borrowers (clients) are screened a way due to banks inherent fear of taking on risky borrowers and some clients fail to access credit because of ignorance. Interest rates prescribed by commercial banks greatly affect credit accessibility by clients thus affecting clients' businesses, home development, personal welfare and other development. The majority 48 clients out of the total sample 72 disagree to have benefited from these banks after accessing credit since they repay the loan (credit) plus extra amount and in this case interest rate. Whereas it's a major role for commercial banks to extend credit to their clients, the majority 56 clients to the total sample size 72 agreed that extending credit to clients is a major role for any bank or for any financial institution but however, banks' willingness to extend credit to their clients are limited and this greatly affects many clients who have limited savings.
and want to access credit or a loan to further their personal development. 34 respondents who were interviewed also concluded and agreed with the Government’s policies, strategies and requirements put in place do not favour clients to access credit from these commercial banks.

5.4 Recommendations
The management of commercial banks therefore in conjunction with the Government of Uganda should put in place realistic loan application requirements, polices, strategies and procedures known to all clients and must consistently be followed and implemented. The banks should also involve clients and all beneficiaries of these financial institutions in decision making. More so commercial banks should further encourage the use of sophisticated technology in credit operations such as mobile money banking at relatively low rates and also banks should charge relatively low interest rates to their clients to encourage them to borrow loans or access credit from them. This benefits both the client and the bank since the banks’ willingness to extend credit to their clients expands and in return many clients will access credit from these banks at their own convenient time regardless of the weather and time from their mobile phones whenever in need. This ultimately increases clients for commercial banks and also increases access of credit from commercial banks by clients in Uganda.
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APPENDIX A: QUESTIONNAIRE

Dear Respondent,

Introduction

I am Ankunda Maxin a student pursuing a Bachelors’ degree in Business Statistics Makerere University Kampala. I am currently carrying out research on the topic: *Factors affecting credit accessibility in Uganda: A case study of Barclays bank-Uganda.*

As a client of Barclays Bank, you are kindly requested to share your ideas and suggestions on accessing credit within financial institutions. I assure you that the information provided will be treated with maximum confidentiality and will be used strictly for academic purposes. Thank you.

**SECTION A: BACKGROUND INFORMATION**

(Please put in the number that reflects your answer most correctly or fill in the gap where necessary)

<table>
<thead>
<tr>
<th>A1</th>
<th>Gender</th>
<th>1. Male</th>
<th>2. Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2</td>
<td>Age (In Complete years)</td>
<td>.........................................................</td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Highest level of education</td>
<td>1. Primary</td>
<td>2. Secondary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. University</td>
<td>5. Others</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Farming</td>
<td>5. Others</td>
</tr>
</tbody>
</table>
SECTION B: Terms of Credit prescribed by Commercial Banks and credit accessibility

Below are some of the factors affecting credit accessibility in Uganda (Kindly circle in the number to which you agree with the following statements (1=Agree, 2= Disagree)

<table>
<thead>
<tr>
<th></th>
<th>Terms of Credit prescribed by Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Are you normally at agreement and at ease with the terms of credit prescribed by commercial banks?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Credit accessibility by clients of Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Before accessing credit or a loan from the bank, are you always aware of the consequences associated with it e.g. not paying back the loan in time to the bank or not paying back the loan at all?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

SECTION C: Collateral security and credit accessibility

<table>
<thead>
<tr>
<th></th>
<th>Collateral security prescribed by Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the amount of collateral security needed by the commercial banks encourage clients to repay back the loan?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Credit accessibility by clients of Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is credit accessibility from commercial banks a major hindrance to business growth among SMEs (Small and Medium Enterprises) in Uganda</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
SECTION D: Interest Rates and credit accessibility

<table>
<thead>
<tr>
<th>D1</th>
<th>Interest Rates prescribed by Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you think commercial banks charge fair interest rates to their clients?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D2</th>
<th>Credit accessibility by clients of Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you think clients of commercial banks normally benefit from the loan they get from any bank?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

SECTION E: The banks’ willingness to extend credit to clients and credit accessibility

<table>
<thead>
<tr>
<th>E1</th>
<th>Banks’ willingness to extend credit to their clients</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you think it is a major role of banks to give loans to its clients?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E2</th>
<th>Credit accessibility by clients of Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you clients access credit from a bank when the client is already servicing another loan elsewhere?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
SECTION F: Strategies to scale up clients' access to credit

<table>
<thead>
<tr>
<th>F1</th>
<th>Strategies to scale up clients' access to credit</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you think the Government's policies and strategies put in place favour the development of financial institutions in Uganda?</td>
<td>1</td>
<td>2</td>
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</table>

<table>
<thead>
<tr>
<th>F2</th>
<th>Credit accessibility by clients of Commercial Banks</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you think Commercial Banks have realistic loan application requirements?</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Thank You for your time and cooperation

END