



The Influence of Restructuring of Loan Recovery on Profitability of Commercial Banks in Uganda

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Abstract

This study investigated the influence of restructuring of loan recovery on the profitability of commercial banks in Uganda, using Stanbic Bank as one of the International and largest commercial bank as the case study. The study utilized a correlational cross-sectional survey design. It was also designed as a case study mixed methods approach in the collection and analysis of data. A specially designed semi-structured questionnaire with likert scale was used to collect data from a sample of 140 respondents including bank employees and clients. Data was analyzed using the narrative, descriptive, Pearson correlation, and, simple linear regression analysis. Findings indicate that restructuring of loan recovery is an influential factor in the profitability of Stanbic bank. Findings suggested that restructuring of the loan recovery culminates into significant improvements in the profitability of Stanbic bank. The study recommended that; senior managers and loan officers should conduct the necessary follow up actions through visiting clients' businesses to monitor and evaluate how the businesses are performing and what adjustments or changes need to be made to fully recover the loans without distressing the businesses.

Keywords: Restructuring of loan recovery, profitability, and commercial banks.