



## **The Influence of Compliance With Bank's Credit Guidelines on Profitability of Commercial Banks in Uganda**

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### **Abstract**

The study investigated the influence of compliance with the bank's credit guidelines on the profitability of the commercial bank in Uganda. Using Stanbic Bank as the case study, the study utilized a correlational cross-sectional survey design. Semi-structured questionnaires and interviews were used to collect data from a sample of employees and clients. Data were analyzed using the narrative, descriptive, Pearson correlation, and linear regression analyses. Findings revealed that compliance with the bank's credit guidelines significantly influences the profitability of the Stanbic bank. A bank which insists on payment under agreed credit guidelines and which is prepared to take action to recover the debts is most likely to be paid in full and on time and this promotes profitability and a need to have well-set bank credit guidelines. It is the flexibility of the credit guidelines agreeable to both the client and the bank that results into increased customer base and a timely payment which improves the bank's profitability.

**Keywords:** Compliance with bank's credit guidelines, profitability, commercial banks, and Uganda.