

**MAKERERE**



**UNIVERSITY**

**LOAN PROCESSING AND CUSTOMER SATISFACTION IN FINANCIAL  
INSTITUTIONS: A CASE STUDY OF UNITED BANK FOR AFRICA UGANDA.**

**BY**

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**REG NO: 2013/HD06/1804U**

**A RESEARCH REPORT SUBMITTED TO MAKERERE UNIVERSITY IN PARTIAL  
FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER  
OF ARTS IN FINANCIAL SERVICES.**

**OCTOBER, 2018**

## **ABSTRACT**

The purpose of this study was to examine the relationship between loan processing and customer satisfaction in United Bank for Africa with a view of encouraging a gradual reduction in loan processing turnaround time by financial institutions to meet their credit obligations to customers promptly.

The study adopted a descriptive design involving a mixed approach to collect both quantitative and qualitative data. The study population consisted of 23 employees of UBA Head office attached to credit, retail and wholesale departments participated, and 40 bank clients who were selected using purposive sampling and simple random sampling technique. Data was collected using a questionnaire and interview guide and was analyzed using MS Excel 2010 and SPSS version 23.0.

The study found that the long loan processing TAT dissatisfies UBA customers and that there was agreement from the staff that the current credit policy structure that requires in-country credit approvals be made offshore by a committee that has not interacted firsthand with customers and obtained a more accurate appraisal is mainly responsible for this dissatisfaction. This is compounded by a deficiency in the training of credit staff in how to monitor and manage the loan cycle up to the repayment stage. To enhance turnaround time in loan processing, the study made strategic recommendations to the effect that UBA management considers making drastic changes to the credit policy to give the in-country credit team semi-autonomy to make credit decisions. The study also makes recommendations to the effect that UBA should aggressively train its credit officers on the proper handling and management of clients.