



**ST. MARY'S UNIVERSITY
DEPARTMENT OF ACCOUNTING AND FINANCE
GRADUATE PROGRAM UNIT**

**ASSESSMENT OF LOAN REPAYMENT PERFORMANCE IN ADDIS
CREDIT AND SAVING INSTITUTION IN CASE OF ARADA BRANCH**

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**Assessment of Loan Repayment Performance in Addis Credit and
Saving Institution**

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**A Thesis Submitted In Partial Fulfillment of Requirements for MSc
in Accounting and Finance**

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**JUNE, 2023
ADDIS ABABA, ETHIOPIA**

DECLARATION

I hereby declare that the work which is being presented in this thesis entitled: “*Assessment of the Loan Repayment Performance in Addis Credit and Saving Institution*” is original work of my endeavor and has not been presented for a degree of any other university and colleges and all the resources of materials used for the thesis have been duly acknowledged.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Business studies for examination with my approval as a university advisor.

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June 14, 2023

Name of advisor

Signature

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ABBREVIATIONS AND ACRONYMS

ADSCI	Addis Credit and Saving Institution
DBE	Development Bank of Ethiopia
DECSI	Dedebit Credit and Savings Institution SC
MFI	Micro Finance Institution
NGO	Non-governmental organizations
OCSSCO	Oromia Credit and Savings Share Company
ONRS	Oromia National Regional State
POCSCBO	Project Office for the Creation of Small Scale Business Opportunities
SME	Small and Medium Enterprise
TVET	Technical Vocational Education and Training

ABSTRACT

The study was to assess the loan repayment performance of Addis credit and saving institutions. And also to assess factors of loan repayment performance of Addis credit and saving institution. So, this research employs descriptive research design. The study was conducted by taking a sample of 384 respondents by judgmental sampling technique. ADCSI's loan repayment performances are primarily affected by the loan size, when the loan size is high the borrowers are losing their confidence to repay the loan. The other factors are political crisis. ADCSI supervise and follow up over their loan utilization, majority of members are getting supervision and advice about the lending and usage of money monthly. ADCSI's Recovery of a loan is responsible members of managing committee and office with the help of well experienced professionals. All outstanding loans should be reviewed at least once a month to ensure that repayments are being made regularly. ADCSI's supervision and follow up is low and it has to improve its supervision and follow up rates cause's inappropriate use of loan and high loan default rate. It is essential for ADCSI in order to control the loan repayment performance and increases the income of the institution.

Key words: *Loan Repayment, ADCSI*