ABSTRACT

The study described an assessment on the effects of the credit risk management on loan performance in Tanzanian banks, It was guided by three predicting variables tested on loan performance as the dependent variable namely lending access, returns to investment and reduction in default. A systematic literature review was conducted , Assenga (2019) who assessed the effect of liquidity towards financial performance in investment banks in Tanzania and Maseta (2021) who assessed the effect of non-performing loans towards performance of investment banks in Tanzania, from their study, both recommend that it is essential for the study to be envisaged towards credit risk management pertaining to loan performance prior to the development banks in Tanzania therefore the study assessed the effect of credit risk management on loan performance in TADB. The Study was approached quantitatively using explanatory study design whereas causality

relationship testing was conducted to generate new knowledge on the inquired subject. Data were collected from the Tanzania Agriculture Development Bank (TADB) employees as the case using structured questionnaires on a purposive sample size of 100. The data were assembled and grouped altogether such that were computed in SPSS version 23.0 for the generation of relevant statistical tests to present the results of the study. Descriptive statistics were generated to show the demographic features of the respondents on the overview of the employees in the bank. Besides that, correlation and multiple regression analysis were also used to show the existing relationship between study variables in filling the inquiry gap. Study results were evident that all three independent variables namely lending access, returns to investment and reduction in default have all been revealed positive with significant effect on loan performance as the dependent variable. This therefore implies that loan performance in development banks in Tanzania through credit risk management is influenced by lending access, returns to investment and reduction in default