

**EVALUATING PERFORMANCE OF AGRICULTURAL FINANCING IN COMMERCIAL  
BANKS: A CASE STUDY OF CENTENARY BANK**

**BY**

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## **ABSTRACT**

The study was guided by the following objectives; to examine the relationship between Centenary Bank agricultural financing and credit accessibility, examine the relationship between information irregularity and credit accessibility and to establish the relationship between credit accessibility and performance of farmers.

The study was a cross sectional survey and stratified sampling design was used to select a sample of 52 registered farmers with District Farmers Associations (DIFA) in Kayunga district, 10 top management and 24 staff from head office and credit departments of different branches of Centenary Bank operating in Uganda. Data was collected using two sets of self-administered questionnaires to farmers and Centenary Bank staff. The data was analyzed using a statistical Package for Social Scientists (SPSS 16) software. Factor analysis was used to identify items that measured the variables. Correlation tests were run to establish the relationship between the study variables and regression analysis to establish the predictability power of the independent variables on the dependent variable. Results showed that there was a significant positive relationship between Bank agricultural financing and credit accessibility, a significant negative relationship between information irregularity and credit accessibility, and a significant positive relationship between credit accessibility and the performance of farmers. It is concluded from the study that proper management of bank agricultural financing, reducing information irregularity between farmers and banks, increases credit accessibility by farmers. It is recommended that banks (Centenary Bank) invest in information technology, adopt special financing arrangements to farmers, and train farmers in financial management.