



## **SYNDICATION LOANS IN UGANDA. A CASE OF MTN UGANDA**

### **ABSTRACT**

This study was based on syndication loans in MTN Uganda and was based on three objectives which were; to examine the nature of syndicated Loans in Uganda, to analyze the challenges of syndicated loans in Uganda and to find out the strategies of improving the syndicated Loans in Uganda,

The study adopted cross sectional research design where the entire study population was considered in order to help answer research questions of interest. The population study of 420 respondents was considered which gave the sample size of 201 respondents. The study was addressed on 217 respondents (97 males and 67 females). The questionnaires were distributed to in MTN Uganda employees who provided various opinions on the issue of internal audit practices.

The study found out that syndicated Loans in Uganda is important for monitor & evaluate syndicated borrower, syndicated loans are always announced publicly and Syndicated loans always provides an important financing vehicle for emerging markets. The study further found out the challenges that syndicated Loans in Uganda include negotiations in debt restructurings are affected by the number of creditors, incentive for syndicating loans by banks has diversifying risk and handling borrower's financial distress is complicated in a syndicate setting. This has been evidenced in the major findings where most of the respondents were agreeing with the issues that were raised. Therefore, hold a significant proportion of the loans to improve on efficiency, use lenders' accounting information to assess borrowers' screening efforts, depend on the terms of the loan

agreement and encourage the use of monitoring effectiveness to overcome potential shirking by lead lenders.

The organization should continue using syndicated loans in order to improve on the performance of the organization and achieve its objectives of providing quality services. This can help in facilitating the corporate social responsibility