

**Factors Influencing Financial Performance of Savings and Credit Cooperative Societies in Maseru District, Lesotho**

**By**

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The government of Lesotho has identified SACCOS as an important tool for achieving financial accessibility among the low and middle classes as indicated in Lesotho Vision 2020 strategic plan. However, little was done to establish financial performance of SACCOS since this strategic plan was launched in 2005. The aim of this study therefore was to fill the knowledge gap by assessing factors influencing financial performance of SACCOS in Maseru District, Lesotho. The study was conducted in Maseru District, Lesotho and it used cross-sectional design whereby data were collected at once. In total, 94 respondents were proportionally selected for the study by using a Raosoft sample size calculator and simple random sampling. Data were collected through survey, documentary review and key informants interview methods.

Analysis of data employed both qualitative and quantitative techniques as they were found to complement each other and indicators of financial performance of SACCOS were loan portfolio, savings volume and return on assets. Financial performance of SACCOS was likely to be high in terms of Return on Assets (ROA) where SACCOS were gaining 11.8% after the inflation rate while liquidity of the SACCOS had the worst insignificant ratio of 107.1%. There was a positive relationship between effectiveness and financial performance of SACCOS where the results showed that loan possession had the highest positive significant influence on financial performance at (Pvalue = 0.004 and // = 1.728). Good governance and fiscal accountability also had positive significant relationship with financial performance.

**Key words;** SACCOS, financial performance, loan portfolio, savings and delinquency, . return on assets .