THE IMPACT OF CAPITAL CONSTRAINTS TO BANKING INSTITUTIONS PERFORMANCE IN ZIMBABWE DURING THE POST HYPERINFLATION PERIOD (2009-2014)

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ABSTRACT
The study intended to investigate the impact of capital constraints to banking institutions performance in Zimbabwe during the post hyper inflationary period (2009-2014). The Zimbabwean banking sector is not adequately capitalised, it is a cause of concern to note that even the sole supervisory institution in Zimbabwe on capitalisation of banking institutions, is also inadequately capitalised. Those scenarios prompted the researcher to find out the devastating effects on the economy as whole and the most likely solutions. The researcher used seven banking institutions in Harare. A descriptive research design was used and a sample size of 32 respondents was used. Among the respondents were branch management, personal bankers and operations manager. Both interviews and questionnaires were used to obtain data from respondents. Other secondary sources were used such as journals, textbooks and other hand-outs from banking institutes. From the finding data was presented, discussed and analysed in relation to other previous findings. The implication of this study is that improved capital position of banking institutions improve their performance, restores the creditability and confidence of customer in banking operations. The researcher therefore recommends that those strategies that will lead to continues improvement in the capital position should be embraced. Also the central bank should not rely solely on the capitalisation of bank as a determinant of bank performance but also should concentrate on efficient and effective bank supervision and risk management.