Savings and Credit Co-Operatives have provided essential financial services to a significant portion of the Kenyan population who were previously unable to obtain such services at commercial banks. Deposit-taking Savings and Credit Cooperative Societies (SACCOs) in the Eastern area of Kenya have experienced a decrease in their financial performance. The purpose of this study was therefore to assess the effect of risk management on the financial performance of deposit taking SACCOS in Eastern region of Kenya. The study was anchored on the Stakeholder Theory. The study focused on 25 Savings and Credit Cooperative Organisations in Kenya's Eastern Region, selected through census sampling. Board membersand department heads from these SACCOs were chosen for analysis. Employing a descriptive research design, the study collected both primary and secondary data. Primary data was gathered via questionnaires, while secondary data came from the SACCOs' financial records. SPSS software was used for data analysis, generating both descriptive and inferential statistics. Findings revealed that risk management significantly and positively influenced the financial performance of these SACCOs (β =.336, $p=.000<.05$). The study concludes that effective risk management practices are important for the financial performance of SACCOs in the Eastern region of Kenya. In view of the findings, the study recommends that SACCOs continue to focus on improving their risk management practices to ensure long-term financial stability and success.