Risk Management in the Nigerian Banking Industry

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Abstract
Risk Management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events. It introduces the idea that the likelihood of an event happening can be reduced, or its consequences minimized. The banking industry is a highly regulated industry with detailed and focused regulators. This is because of the risks associated with it. And these risks, if not properly assessed and prioritized, time can be wasted in dealing with it. At the same time, spending too much time assessing and managing unlikely risks can divert resources that could be used more profitably. This paper discussed the recent development in the Nigeria banking industry and also outlined the Risk factors in the Banking industry and some principles/steps used in handling them. Also highlighted are some software used in managing Risk in the Banking industry.
Customers’ perception on the use of SMS as a strategic management tool in Nigerian banking industry. Oludele Mayowa SOLAJA, Department of Sociology, Olabisi Onabanjo University, Nigeria. This competence mitigates the risk of fraud going unnoticed for a long time and increases customer confidence in the bank’s information systems (Grönroos, 1994). However, customers expected behavior and structures of social interactions in banking firms determine the dimensions of the “acceptable” and the “unacceptable” meanings that is placed on the acceptance of SMS as a strategic tool for enhancing business transactions and customer-management relationships in Nigerian banking industry. The Nigerian Banking Situation. The Nigerian banking system has undergone remarkable changes over the years, in terms of the number of institutions, ownership structure, as well as depth and breadth of operations. Statistically in Nigeria the banking industry accounts for 65% of the total population that makes up the financial sector. This is consistent with minimum sample size as suggested by Krejcie & Morgan (1970). This paper examined the relationship between risk management and financial performance of banks of 14 listed banks in the financial sector of the Nigerian economy over a period of 6 years (2006-2012). The findings revealed that management of risk does not often translate to positive financial. References. Risk management the Nigerian banking sector. For. Abi alchemy business intelligence. 2.0 A Review of Risks in Banking 2.1 Overview of Risk Management Practices in Nigerian Banks 2.1.1 Reputational Risk and Confidence Crisis in the Nigerian Banking Industry 2.1.2 Operational Risk 2.1.3 Credit Risk 2.1.4 Human Resources Risk 2.1.5 Risk Associated with Mergers and Acquisition 2.2 Current Regulatory and the Way Forward. 3.0 Summary and Conclusion. 1.0 Overview of Risk Management There is risk in every business because of uncertainty about future events and exposure, almost everything we do in the business world involves risk.