

RISK MANAGEMENT AND FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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ABSTRACT

The study explored the impact of risk management (credit and liquidity) on financial performance of money deposit banks in Nigeria. The study employed panel methodology and other econometric techniques such as hausman test, descriptive statistics. Results from the panel regression show a positive relationship between risk management and financial performance of money deposit banks. The study recommends that banks in Nigeria should augment their capacity in, liquidity risk analysis, and credit analysis and loan administration while the regulatory bodies should pay more attention to banks' compliance to regulations of the Bank and other Financial Institutions prudential guidelines.

Keywords: Liquidity Risk; Profitability; Credit Risk; Liquidity; Deposit Money Banks.