EFFECTS OF CREDIT ADMINISTRATION ON PROFITABILITY OF DEPOSIT MONEY BANKS IN NIGERIA
(A CASE STUDY OF FIRST BANK OF NIGERIA PLC)

BY

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BANKING AND FINANCE, INSTITUTE OF FINANCE AND MANAGEMENT STUDIES, KWARA STATE POLYTECHNIC ILORIN, KWARA STATE.

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CERTIFICATION

This research work has been read and approved as meeting the requirements of Department of Banking and Finance, Institute of Finance and Management Studies (IFMS), Kwara State Polytechnic, Ilorin, and was carried out by **BABATUNDE MUHAMMED OLALEKAN** with Matriculation Number **HND/23/BFN/FT/0246** It was discovered to meet up with the standard required for the award of Higher National Diploma (HND) in Banking and Finance Management.

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DEDICATION

This project is wholeheartedly dedicated to Almighty Allah, who made all things possible.

This project is also dedicated to my parents who has never fail to give us financial and moral support, for giving all our needs during the time will develop our own goal.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF STUDY

It has become necessary to take a cursory look at the concept of debts, its ramification and problems associated with management.

The issue of problem associated with loans advance management prompts the this Central Bank of Nigeria (CBN) to reduce the guidelines in a circular entitled "prudential guidelines for licensed Banks" the main purpose of this, is to ensure that the financial guideline ensure conformity with stand to facilitate comparison across banks. The true financial position of bank is often obscured by the accounting period involving its assets and liabilities. The prudential guidelines focus on the assets side of banks balance sheet i.e. loans and advances.

In the past, bank different scientifically on the condition under which loan is classified recoverable, doubtful or lost. As such conditions were inherently judged and there were high potentials for substantial under provision implying that many banks could appear healthier than they really are. Total saving deposit in the commercial banking system represented 85.3% and 8.3%. Such saving deposit in the financial system in this period respectively. Consequently, it is obvious from forgoing, that commercial banks occupy a strategic position in the economy and are able to influence the course of event in the economy. However, numerous complaints have been made against them by the general public (especially their customers) and the monetary authority as regard their inability to meet the demand for credit by their non-challant attitude in respect of the various monetary policies and their non- fulfillment of the credit guidelines on the hand.

The techniques employed by banks in this intermediary function should provide them with perfect knowledge of the outcomes of lending such that funds will be allocated to investment in which the profitability of full payment is certain. Virtually all lending decisions are made under creditors on uncertainty, the credit and uncertainty associated with lending decision.

The statement implies that if credits are to be money deposit banks should be based less in quantitative data and more on principles too subjective to provide sound and unbiased judgment. Furthermore, the banks depend heavily on historical information as a basis for decision making.

Apparently aware of the inadequacy of its decision base, bank lending has often sought solace in tangible and marketable assets as security is an insurance. The increasing trend of provisions for doubtful in most money-deposit banks is a major source of concern not to management but also top the shareholders who are becoming more aware of the dangers posed ,by these credits. Credit destroy part of the earning assets of banks such as loans and advances which have been described as the liquidity and solvency which generates two major problems; that is, profitability and liquidity, has to earn sufficient income to meet its operating costs and to have adequate return to its investments.

1.2 STATEMENT OF THE PROBLEM

The problem for this study is to appraise the lending and credit management policies of a typical money-deposit bank (the First Bank of Nigeria plc) with a view to examine the inadequacies in the system and to suggest policy recommendation that would go a long way in bringing about an efficient and optimal lending pattern in the Nigeria economy.

Again, experience may arise in respect of lapses on the part of the banks credit officers. For instance there may be excesses over approved facility, unformatted facilities and expired facilities not renewed on time. In each of these cases the customers may easily deny even owning the bank all or part of the amount.

1.3 RESEARCH QUESTIONS

In order to achieve the above study objectives, the researcher aims at addressing the following questions in relation to the selected banks.

i. To what extent does loan and advances affect the profitability of deposit money banks in Nigeria?

ii. What is the effect of non-performing loans on the profitability of deposit money banks in Nigeria?

iii. To what extent dose loan loss provisions affect profitability of deposit money banks in Nigeria?

1.4 OBJETCIVES OF THE STUDY

The general objective for this study is to establish the effect of credit management on the profitability of deposit money banks in Nigeria. The specific objective of the study includes:

i. To examine the effect of loans and advances on the profitability of deposit money banks in Nigeria.

ii. To determine the effect of nonperforming loans on the profitability of deposit money banks in Nigeria.

iii. To ascertain the effect of loan loss provisions on the profitability of deposit money banks in Nigeria.

1.5 STATEMENT OF THE HYPOTHESES

This study is designed to test the following hypothesis

First Statement

Ho: There is no need for banking sector to operate with a standard credit policy.

Hi: There is need for banking sector to operate with a standard credit policy

Second Statement

Ho: In first bank plc, there is no available system for appraising of loan request before they are granted.

Hi: In first bank plc, there is available system for appraising of loan request before they are granted

Third Statement

Ho: Financial statement is not important in analyzing reports.

Hi: Financial statement is important in analyzing reports.

1.5 RESEARCH METHODOLOGY

In this research, the research presents a set of procedure on how data for the study was collected, the sources of data use in the presentation of data and statistical tools used for these analysis of the data.

Description of research methodology

Research in finance is based on findings out solution to financial problems, the business entity relies on research to find answer to specific problems.

Research Instruments

The research instruments to be used in obtaining information from the population have to be stated

Using regression analysis to calculate

N = Number of paired observation

X = Independent variables (credit)

Y = Dependent variables (profit)

E = Summation

$$\text{regression } (r) = \frac{n\sum x\,y - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2 (n \sum y^2 - \sum y)^2}}$$

1.6 SIGNIFICANCE OF THE STUDY

Credit management supports or underpins the profitability of banks and therefore proper credit management reduces the default rate of customers and assists banks to be on top in the loan generating market. Credit risk which is as a result of ineffective management is one of the foremost catalysts of banks collapse, the study will help bank management to boost the bank's profitability. In addition, the degree to which credit is controlled has a bearing on the progress and sustainability of deposit money banks and the economy at large. The purpose of this research is to discover effect of credit management on the profitability of banks in Nigeria. The customers and investors need to know whether their deposits are managed or utilized efficiently, so it is an eye-opener. The research would serve as an incarnation of knowledge to individuals, management and practitioners in the banking and non-bank financial industry. The result would also be useful in academic field.

1.7 SCOPE OF THE STUDY

The major scope of the study is that, an aggregate industry figures must be employed while the trends in the individual banks and the actual figure may vary widely from this, giving a different pattern of information and perhaps influence their form.

The data employed are secondary. It is important to keep in mind that constituencies are usually associated, been obtained form sources considered most reliable in the present circumstances. The fact is that bank activities are influenced by social and political development an economy which may not present the accurate position of the study.

1.7.1 LIMITATION OF THE STUDY

Time Constraint: During the course of writing this research work, the respondent that justify the question took a lot of time before responding on the questionnaire.

The time for the research works is so short to go on extra mile for move data.

Inadequate Data: This research work will be limited to the volume of information acquired through materials like national dailies, periodic journals, text books speeches, internet materials and write-ups on related subject.

Lack of Adequate Finance: During the course of writing this research, there is lack of finance to travel from one place to another place for the collection of more data for the research work.

Unco-operate Attitude of Respondents: As it is unduly know that banks are often busy, so questionnaire administration were not answered very well because majority of the staff were occupied with the customers. This constraints might be regard as the non-response during peak periods.

1.8 DEFINITION OF TERMS

These are terms that can be found in this research project:

Asset: An asset can be anything owned by a business organization or individuals which has commercial or exchange value Olakanmi K.O (2001)

Vault: This is the banks strong room where money and valuable materials are kept. RALP K.O (1980)

Fiduciary Issue: Issue of banks notes by the banks which are not having gold banking

Currency: This includes both paper money and metallic money coins. This term is generally used for money. Femi Aborisade (1997)

Bank: The bank and the financial institution Decree of 1991 (BOFID) section b1 defined bank any person receiving deposit on current accounts or other similar accounting paying or collecting of cheques drawn or paid in by customers.

Provision of Finance: Such other business as the governor of the central bank may resonate.

i. First bank Nigeria plc: This can be said to be bank established with the aim of maximizing profits.

ii. Financial institutions that engage in financial intermediator that is, process of mobilizing deposit from the surplus sector and lending it to deficit sector and lending sector for investment.

1.9 PLAN OF THE STUDY

This research study is organized into various chapters. The logical organization of the study gives its uniqueness and make it very simple and clear for readers and researchers. The orderliness is as follows:

Chapter one talks about the introduction to the investigation. Also included in this chapter is the statement of research problem, objectives of the study, research questions, research hypotheses, scope of the study, significance of the study and definition of terms among others. Chapter two deals with various literature related to the study. Here, emphasis is on the conceptual, theoretical and empirical reviews of the literatures.

Chapter three focuses the research methodology used in the study. Chapter four deals with the Data analysis, interpretation and presentation.

Chapter five deals with the summary, conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.0 REVIEW OF RELATED LITERATURE

Abayomi .O. Majekodunmi (2003) claims that credit management lies at the heart of banking. Although, banks initially emerge as deposit takers, they soon matured into interneditators of funds, thereby assuming credit risk. Credit became the business of banking, and the primary basis on which a banks quality and performance are judge.

The credit management process therefore, which is enhanced by a banks credit department], deserve special emphasis because credit management greatly influences the success or you to note studies of banking crisis throughout the world have shown that the most frequent factor in the failure of banks is poor assets quality.

Many bankers and regulatory process provide a leading indicator of the quality of a bank is loan, portfolio. The debt recovery unit within the credit department on their own, should confer with trouble customer quickly on possible options, especially for cutting quickly on flow, and improving management control. Finding additional collateral, infusing new capital into the business, securing endorsement or guarantees, entering new markets, reorganization, merging or liquidation of the firm, or filling bankruptcy petition.

A good credit management of any bank should ensure that credit policies/procedures are in place. The department must always adhere strictly to every stage of the credit process of the credit policy manual. Where lending is administered and managed in accordance with laid down policies and procedure, the occurrence of reckless will be reduced or completely eliminated.

Oyejide and Ojo (2004) claims that loans and advances are important to the both the economy and bank profitability objectives, these are granted to customers through a direct face- to face negotiation between borrowers or customers and the lending bank..

The four major types of loans and advance according to them are general commerce, production, services and other credit going to production sector has been increase due attempt to produce the inflationary within the economy. Also credit means by which transaction are enabled to acquired commodities against a promise to pay later the agreed that the definition may be simple but the mechanism of credit in the modern society is far from simple.

2.1 CONCEPTUAL FRAMEWORK

The survival of banks and their ability to compete depend primarily an their ability to manage credit risk. Historically banking crisis have occurred when group of banks create loan for very poor quality. Hence, banks may occasionally get into trouble because of sufficient liquid, unexpected interest rate movement, policy include stock e.t.c

However, impost cases when bank fall, they because of the poor quality of their credit portfolio which is a proximate cause to what is known as loan advances management. Bank finance a wide range of groups in the economy manufactures, distributors, retailes, buyers, property developers consumers and many other turn to banks from time to time for credit. The ways in which banks allocate the money they have at their disposal to loans strongly influence economic development, which turn helps them to grow, it therefore, becomes imperative for banks to always have an effective loans and advance management programme in place.

Therefore, every bank takes upon itself a degree of risk when it lends to borrowers and without expectation of every bank experiences some losses when certain borrowers fail to repay loans as agreed. Whatever the degrees of risk taken, loses can be mitigated by organizing and managing the lending function in a highly by organizing and managing the lending function in a highly professional manner.

2.2 THEORETICAL FRAMEWORK

This research work was anchored on the following theories:

Anticipated Income Theory: Under this theory, bank's management can plan its liquidity based on the expected income of the borrower and this enables the bank to grant a medium and long-term loans, in addition to short-term loans as long as the repayment of these loans are linked, by the borrowers expected income to be paid in the periodic and regular premiums, and that will enable the bank to provide high liquidity, when the cash inflows are regular and can be expected. Deposit money banks can manage its liquidity through appropriate credit management that is directing of granted loans, and ensuring that these loans are collected as at when due in a timely manner and minimize the possibility of delays in repayment at the maturity date (Okoh, et al, 2016).

Shiftability Theory: Shiftability is the approach to keep the banks liquid by supporting the shifting of assets. When a bank is short of ready money, it is able to sell its assets to a more liquid bank. The approach allows the banking system run more efficiently: with fewer reserves or investing in long-term assets. Under shiftability, the banking system tries to avoid liquidity crises by enabling banks to always sell or repo at good prices (Okoh, et al 2016).

Monitoring is part of lending and often given a low profitability less than conscientious lenders. Accounts need to be monitored for the following reasons.

i. To be fully aware of the up to data situation on an account to ensure any borrowing which has been granted remain with the customers capacity to repay.

ii. To above any adverse trends so that early action can be taken for examples increasing or earlier anticipation of salary.

iii. To discover any irregular practices the banks have recently been criticized for allowing the proceeds of crime to be launched through accounts without sufficient enquiry.

iv. To be informed about customers activities and credit worthiness, for example evidence of gambling.

v. To confirmed information provided by the customers for example, amount of salary and monthly commitments.

2.3 EMPIRICAL REVIEW

Credit facilities are subjected to objectives and parameters classified into performing or non- performing risk assets. Automatic of credit processing should be able to able to take from out of the face credit analysis in view of the fact that the yardsticks of analysis are objective ones that can be quantified as input into computer system. There are computer software, which have been specially designed for the automation of the accounting and management information requirement of the both the pre and post maturity processing of a banks processing of a banks portfolio.

Credit facility is demand to be performing, if payments, both interests and interest up to date are in accordance with agreed terms. On the other hand credit facility is interest payment equal to days interest and or more have been capitalized, reschedule and rolled over with a new loan. Since the release of the circular, the CBN has ensured strict compliance with its contents, which had or gone a long way for improving bank credit management and have made assets quality comprises among banks easier. Credit facility software has scheduling facility, which ca accommodate either automatic, or manual processing for single multiple period transaction.

2.4 GAPS OF LITERATURE

Most of researchers have focused on one or several countries and showed different results. However, no researcher has put the research in Nigeria using all the deposit money banks in Nigeria. Therefore, the researcher have found the existence of geographical gap and devote our effort to conduct a research on it. Most research work we explored on credit management and profitability of banks covered up to 2013, so the researcher saw the existence of time gap. The period 2006-2015 of this study also falls within the period of global economic recession and unpleasant credit management consequences for banks; we put effort to cover the gap up to 2015 through this research.

The methodology most appropriate for this study is going to be based on the satisfaction techniques, in which it project research as it would involved research and sampling techniques of which consideration would be given the design and its best for feasibility. From the humble beginning in 1894, First Banks of Nigeria plc founded by shipping magnate from Liverpool, sir Alfred Sonas, commercial business in the office of Elder, Denpter and company in Lagos. It was incorporated as a limited company in London on march 31st, 1894 with original head office in. Liverpool under the corporate name of the bank of British Africa.

Its early years, in performing the traditional roles of a Central Bank such as the issue of specific money in the West Africa sub-regions managing the colonial government, grew rapidly in its early years.

A phenomenon growth has been achieved by the bank over the shareholder fund which stood at #95 million in 1980 has risen to # 988 million in 1994 while the total asset base is about #17 billion its deposit base is about #12 billion.

The bank has continually responded to changing market environment by reviewing its organization structure management approach and corporate entity.

The bank ministry of finance incorporated on behalf of the federal government standard chariter and Nigeria public changed in 1992 when the federal government under written its equity at 44.8 percent to the Nigeria policy.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION TO METHODOLOGY

In this chapter, the research presents a set of procedure on how data for the study was collected, the sources of data used in the presentation of data and statistical tools used for the analysis of the data.

3.2 RESEARCH DESIGN

It explains the nature of the pattern the research has to followed. This is the overall plan or strategy for conducting the research. The main purpose of the study was to evaluate the relationship between credit management and the profitability of deposit money banks in Nigeria. The research was conducted through a Historical Research Design. Historical research design is where the researcher explores, explains and understands past phenomenon from already existing data. This helped the researcher to arrive at conclusions about the effect of credit management on the profitability in order to explain the present and predict and control the future. The study adopted quantitative research approach which answered the "How many?" questions in the study, thus allowed the measurement of relationships between variables in a systematic and statistical method

3.3 POPULATION OF THE STUDY

The population sample for this study was so comprised all the staffs of First bank plc Osogbo branch, Osun State.

3.4 SAMPLING SIZE AND SAMPLING TECHNIQUE

Out of the fifty (50) Questionnaire distributed, 30 questionnaires were returned to me there, the sample size for this study was 30.

3.5 METHOD OF DATA COLLECTION

According to Bodade M.O (2000) data collection should be noted that whatever method or instrument designed to collected or gather data, the actual collection can be done personally by the researcher or by others on his behalf.

The method employed to collect the data is personal, the researcher is said to have used “direct” method when enumerators are employed.

Before the actual collection of data, there is the need to examine some basic things are permanent to the overall success of the whole research. This is so because once this aspect is wrongly done, the end result of the research will be wrong.

3.6 METHOD OF DATA ANALYSIS

According to Olakanmi K.O (2001), Lending and liquidity management in banking, in operations is mainly concerned with the ability of banks to be able to able to manage their lending activities such as loans and advances security and the performance analysis.

As regards liquidity management in banking operations it requires the knowledge of their bank management of manager and monitoring the maturing data of both. The way they are occur in nature in order to collect data the need arises because there are some situation that cannot be properly studies using the questionnaire and other method of data analysis.

Secondary sources of data

These are the sources of data. This is defined as those data, which already existed but were not collected specially for the proposed research. The sourcess are private and public source, newspaper publications, letters, textbooks, and journal.

Primary sources of data

Primary data are collected from primary sources. This data is obtained or generated expressing for a specific purpose by the researchers. It is called primary data.

The main advantage is that original information needed is obtained.

3.7 LIMITATIONS TO METHODOLOGY

Research in finance is based on entity relies on research to find answer to specific problems. Determining whether a generally accepted valuable may be care of business research with no decision making in view or no specific problem to solve, business on occasions initiates research just to accumulate knowledge or to uncover aspects of a phenomenon not yet defined.

CHAPTER FOUR

4.0 ANALYSIS AND PRESENTATION

INTRODUCTION

This chapter is primarily designed for the presentation and analysis of finding from the field work, either by primary or secondary sources.

The data collected through the methodology adopted in previous chapter is analyzed and well presented in this chapter using regression analysis.

4.1 REPORT OF RETURNS

Respondent	Number	Percentage
Returned	30	60
Unreturned	20	40
Total	**50**	**100**

Source: Field survey 2025.

4.2 ANALYSIS OF RESPONDENTS OF BIO-DATA.

The following table represent of Bio-Data of the respondents.

Table 1

Respondent by sex

Respondent	Number	Percentage
Female	17	56.7
Male	13	43.3
Total	**50**	**100**

Source: Field survey 2025.

The respondent by sex are 56.7%, which of the respondent are female.

Table 2

Respondent by sex

Respondent	**Number**	**Percentage**
Below 20	3	10
21 – 40	18	60
41 – 60	9	30
Total	**30**	**100**

Source: Field survey 2025.

The respondent by age are 60%, which of the respondent are 21-40.

Table 3

Respondent by married

Respondent	**Number**	**Percentage**
Single	9	30
Married	19	63.3
Divorce	2	6.67
Total	**30**	**100**

Source: Field survey 2025.

The respondent by married are 63.3%, which of the respondent are married.

Table 4

Respondent by occupation

Respondent	**Number**	**Percentage**
Civil servant	10	33.3
Vocational trade	12	40
Business man/woman	8	26.7
Total	**30**	**100**

Source: Field survey 2025.

The respondent by occupation are 40%, which of the respondent are vocational trade.

Table 5

Respondent by educational qualification

Respondent	**Number**	**Percentage**
Hnd	10	33.3
B.SC	5	16.7
N.D	7	23.3
Total	**30**	**100**

Source: Field survey 2025.

The respondent by educational qualification are 33.3%, which of the respondent are HND.

Table 6

Respondent by working experience

Respondent	**Number**	**Percentage**
1 – 2 years	9	30
3 – 4 years	10	33.3
5 – 6 years	6	20
7 – 8 years	5	16.7
Total	**30**	**100**

Source: Field survey 2025.

The respondent by working experience are 33.3%, which of the respondent are 3 – 4 years.

Table 7

Respondent by category of staff do you belong to?

Respondent	**Number**	**Percentage**
Junior	12	40
Senior	11	36.7
Management	3	10
Total	**30**	**100**

Source: Field survey 2025.

The respondent by category of staff are 40%, which of the respondent are junior.

Table 8

Respondent by how long have you been in the company?

Respondent	**Number**	**Percentage**
Under 1 years	9	30
2 – 5 years	14	46.7
6 – 10	7	23.3
Total	**30**	**100**

Source: Field survey 2025.

The respondent by how long in the company are 46.7%, which of the respondent are 2-5 years.

RESEARCH QUESTION

The service rendered by the bank can go a long way improving customers satisfaction and loyalty.

Table 9

Respondent	**Number**	**Percentage**
Agreed	17	56.7
Disagreed	5	16.6
Undecided	8	26.7
Total	**30**	**100**

Source: Field survey 2025.

From the above, the majority of the respondents are agreed which is 56.7%.

RESEARCH QUESTION

Failure to provide services that the customers need can lead to customers dissatisfaction.

Table 10

Respondent	**Number**	**Percentage**
Agreed	22	73.3
Disagreed	4	13.3
Undecided	4	13.3
Total	**30**	**100**

From the above, the majority of the respondents are agreed which is 73.3%.

RESEARCH QUESTION

Package of services rendered to customer must be given due negotiation by the management.

Table 11

Respondent	**Number**	**Percentage**
Agreed	21	70
Disagreed	4	13.3
Undecided	5	16.7
Total	**30**	**100**

Source: Field survey 2025.

From the above, the majority of the respondents are agreed which is 70.%.

RESEARCH QUESTION

Before packaging of services, customer needs must be considered.

Table 12

Respondent	**Number**	**Percentage**
Agreed	26	86.7
Disagreed	2	6.66
Undecided	2	6.66
Total	**30**	**100**

Source: Field survey 2025.

From the above, majority of the respondents agreed, which is 86.7%.

RESEARCH QUESTION

The services rendered by the bank solve various problems of the customers limited time.

Table 13

Respondent	**Number**	**Percentage**
Agreed	25	83.3
Disagreed	3	10
Undecided	2	6.67
Total	**30**	**100**

Source: Field survey 2025

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

The effect of loan and advances management on profitability of Nigeria banks in banking industries cannot be fully discussed without mentioning the liquidity and profitability of a bank. That is why in chapter one of this write up, the researcher discovered that liquidity and profitability if a banks in organization depends solely upon the efficiency of the banking industries. The administration of credit in any organization forms an integral part in the firm as it determines the source of failure of business operation of the organization. Therefore, the need for an effective management of credit is very important to any financial institution.

Chapter three contains the research methodology, which give details of the source of data, tools and techniques used in data presentation and analysis.

Chapter four shows presentation and analysis of data it also dealt with testing of hypothesis.

Last chapter covered the summary of findings, conclusion arrived at and the recommendations as result of findings.

Conclusively, the survey showed that effective and efficient management of loans and advances enhances sound and favorably value of a bank.

5.2 CONCLUSION

Efficient credit and financial management have been stressed as being critical to the health and prosperity of the small firm sector. The research projects investigated the concept of credit management and highlighted the issue involved in credit management such as basic consideration in lending as well as risk measurement and analysis and value of banks.

The risk and associate cost involved in credit extension is enough for any banks to plan for management of its credit. The plans for credit must be executed and properly controlled by a substructure credit manager.

Development of the economy has different form of growth of loan towards financing. Bank should therefore, make an increasing effort to invest more in medium and long term assets, which require mobilization of long term deposit liabilities.

A critical issue in credit management in the handling of bad loan. A loan may go bad for various reasons, but a identify such loans before they come in collectable when ever facility is recalled.

The collected progress may sometimes be tedious and time consuming and the bank must pursue a strategy that will ensure guides.

Finally, it is hoped that this study will be useful to First bank of Nigeria plc to have a good credit management and to other commercial banks and firms. Credits officers should prepare weekly and monthly.

Using appropriate credit return form to give room for strategy credit return. A customer patronize bank because of his/her expected benefit from the banks, therefore bankers should exercise all cautions to protect ban credit interest to achieve their corporate objectives.

5.3 RECOMMENDATION

In view of the findings of the study, it will be useful to make some recommendation, such recommendations will help in effective credit committee independent of the lending officer who prescribe procedure to be used in monitoring the carrying out periodic review and re-assignment of credit management.

They should ensure that the principal interest handlings are in accordance with CBN prudential guidelines.

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