ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/25mar332

Reviewing the Roles of Risk Assessment on the Financial Outlook of Nigeria's Selected Deposit Money Banks

[1]Lukman Oyebisi ; [2]Joshua Adewale Adejuwon

[1,2] Department of Management and Accounting Lead City University, Ibadan

Publication Date: 2025/03/25

Abstract: Risk assessment is one of the major dimensions of the internal control system which plays a significant role in the financial stability and operational efficiency of Deposit Money Banks (DMBs). Weak risk management practice, fraud and regulatory noncompliance have placed the banking sector of Nigeria under multiple crisis. In this study the secondary qualitative empirical approach is used to investigate how the risk assessment affects performance of selected Nigerian DMBs. The data was analyzed thematically using data from regulatory reports, industry case studies, existing literature. Results indicate that banks with good risk assessment framework continue to outperform in terms of their financial performance, reduced operational risks and also in terms of compliance with regulatory requirements. On the other hand, institutes without proper risk assessment techniques suffer from financial distress, liquidity crisis and reputation damage. The study tackles existing discussions on banking sector reforms and offers policy recommendations aimed at reinforcing risk assessment mechanisms.

Keywords: *Risk Assessment, Internal Control Systems, Bank Performance, Nigeria, Deposit Money Banks.*

How to Cite: Lukman Oyebisi ; Joshua Adewale Adejuwon (2025) Reviewing the Roles of Risk Assessment on the Financial Outlook of Nigeria's Selected Deposit Money Banks. *International Journal of Innovative Science and Research Technology*, 10(3), 943-950. https://doi.org/10.38124/ijisrt/25mar332

I. INTRODUCTION

A. Background of the Study

One of the basic elements of the internal control systems is risk assessment, which allows financial institutions to recognise, assess and eliminate potential risks that might impair their operation (Committee of Sponsoring Organizations of the Treadway Commission [COSO], 2013). The mechanisms for effective risk assessment in banking sector are important for stability of the financial sector, prevention of fraud and regulatory compliance (Ferreira et al., 2019). Nevertheless, despite increasingly global trends in risk management practices, Nigerian deposit money banks still have operational inefficiencies, lack of proper risk assessment frameworks and susceptibility to instability of their assets (Ibrahim, 2018). Over the last two decades, Nigeria's banking sector has indeed experienced a number of regulatory reforms that have strengthened internal control systems. Basel II and III capital adequacy requirements were introduced to enhance banks' risks management abilities (Obadire, 2022). Despite these efforts, liquidity crisis cases, loan defaults and bank failures continue to occur, casting doubts on the efficacy of risk assessment practices in Nigerian DMBs (Ikue et al., 2022). Recent collapses of financial institution such as Skye Bank and Heritage Bank among others calls for an in-depth investigation as to what role risk assessment plays in banking performance (Badmus & Kenechukwu, 2024).

B. Problem Statement

Risk assessment is widely embraced as one of the vital components of internal controls; however, the case of Nigerian banks on the identification of risk, the measurement of risk and the use of mitigation strategies remains a question (Tamimi, 2021). However, the presence of financial irregularities such as fraudulent transactions and improper use of assets suggests that the existing risk assessment models are not fully adhered to or implemented (Agbana et al., 2023). The 2022 Financial Stability Report of the CBN shows some Nigerian banks have weak risk governance, resulting in financial loss and reputation damage. While there are stringent regulations, effectiveness of the risk assessment mechanisms is still very poor in the banking sector (Oyewo, 2022). Previous study has covered internal control systems generally, however, there is little study concerning risk assessment, and

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/25mar332

its direct impact on bank performance in Nigeria. This study fills this gap by analyzing risk assessment frameworks and its impact on the financial stability and operational efficiency of Nigerian DMBs.

C. Research Objectives

The primary objective of this study is to assess the influence of risk assessment on the performance of selected Deposit Money Banks in Nigeria. Specifically, the study seeks to:

- examine the role of risk assessment in financial performance and stability.
- analyze the relationship between risk assessment practices and regulatory compliance.
- identify best practices in risk assessment among high-performing banks.
- investigate the challenges associated with implementing risk assessment frameworks in Nigerian DMBs.

D. Significance of the Study

The findings of this study will be valuable to multiple stakeholders, including:

- Banking Institutions: Insights into strengthening risk assessment frameworks to improve financial performance and regulatory compliance (Chairani & Siregar, 2021).
- Regulatory Bodies: Providing empirical evidence for policymakers, including the CBN and NDIC, to enhance risk management regulations
- Academics and Researchers: Expanding knowledge on internal control systems and risk management in financial institutions (Omondi, 2021).
- Investors and Customers: Helping stakeholders make informed decisions regarding the credibility and stability of Nigerian banks.

E. Scope of the Study

The scope of this study is Deposit Money Banks in Nigeria using secondary data in regulatory reports, financial statements and from industry publications. This research uses a secondary qualitative empirical approach to analyse how bank performance is associated with risk assessment frameworks. Microfinance banks and non-bank financial institutions are not covered as their regulatory structures are quite different from those of the DMBs.

II. LITERATURE REVIEW

The review of the literature focused primarily on the risk assessment in the internal control systems of Deposit Money Banks (DMBs). It examines theoretical foundations, empirical research as well as global best practices in relation to how bank performance is influenced by risk assessment.

A. Theoretical Framework

There are several theoretical models that underpin risk assessment in financial institutions, most relevant of them being the Agency Theory and the COSO Internal Control Framework.

➢ *Agency Theory*

Introduced in Jensen and Meckling (1976), agency theory suggests that the relationship between principals (share shareholders) and agents (bank executives and managers) can lead to the existence of conflict, where agents consider self interests ahead of firm interests. Managers' opportunism within the banking sector may cause poor risk assessment mechanism, which may expose the sector to financial instability and regulatory breach (Kalia & Gill, 2023). Risk assessment is used as one of effective internal controls that serve as a monitoring mechanism of mitigating agency costs by ensuring accountability and transparency (Alawaqleh, 2021).

➢ *COSO Internal Control Framework*

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Integrated Framework is a structured approach to internal controls that includes risk assessment as one of its five key components (COSO, 2013). This framework takes the position that any organization working to achieve its objectives must identify, assess, and respond to the risks that may impede achieving those objectives. Risk assessment in the banking sector enables institutions to assess any credit default risk crisis and operational fraud risks. According to COSO's risk assessment principles, banks that follow their principles, have better financial resilience, with stronger regulatory compliance; (Nwachukwu et al., 2024).

B. Risk Assessment in Banking: A Global Perspective

Risk assessment is a core component of banking regulation in most developed economies and it has been sufficiently institutionalised to include risk assessment frameworks designed for stabilisation and compliance.

➢ *Risk Assessment in Developed Economies*

The banking system in the countries of the United States and Europe operates under strict rules of risk assessment, such as Basel III guidelines (2013), Dodd-Frank Act of 2010 and Risk Framework of the European Banking Authority. These frameworks require banks to continuously assess the credit, operational and liquidity risks in order to avoid systemic financial crises. According to research, developed economy banks that are stricter with risk assessment record lower default rates, and have a higher investor confidence (Aledeimat & Bein, 2025).

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/25mar332

➢ *Risk Assessment in Emerging Economies*

Risk assessment frameworks differ a lot in emerging economies as they are driven mostly by inconsistent regulatory system and governance challenges. Studies also suggest that financial institutions in Nigeria, Kenya and South Africa are more exposed to risks as a result of poor risk governance structures, corruption and regulatory compliance (Adu, 2022). Although Nigeria adopted Basel II and III principles, enforcement of these principles has remained inconsistent and some banks have experienced financial distress.

C. *Empirical Review on Risk Assessment and Bank Performance*

➢ *Relationship Between Risk Assessment and Financial Stability*

Empirical studies confirm how effective risk assessment mechanisms are to contribute to financial stability by limiting the exposure to credit and liquidity risks (Settembre-Blundo, 2021). For instance, research on Nigerian banks showed that institutions with well-defined risk assessment strategy were profitable, recorded lower rates of loan defaults, and higher rates of capital adequacy (Ogunleye, 2020). On the other hand, banks that are bad at-risk assessment usually succumb to liquidity crises; examples of these banks are Skye Bank and Heritage Bank.

➢ *Risk Assessment and Fraud Prevention*

Nigeria's banking sector continues to experience fraudulent activities significantly which is largely attributed to ineffective risk assessment mechanism (Kassem, 2021). The losses from fraudulent activities in Nigerian banks between 2019 and 2021 have been ₦15 billion according to Nigeria Deposit Insurance Corporation (Folowosele & Ikpefan, 2021). Banks that employ real time emergence of risk assessment methodologies such as predictive analytics and machine learning algorithms tend to lose less to frauds (Bello, 2023).

➢ *Regulatory Compliance and Risk Assessment*

Regulation requirement is the main determinant of banking performance. Regulatory expectations are aligned with the institutions that have better performing risk assessment framework (Adam et al., 2023). For example, research shows that the banks that perform poorly in terms of risk assessment are usually penalized, sanctioned and damage the reputation (Girling, 2022).

D. *Challenges in Implementing Effective Risk Assessment in Nigerian Banks*

The benefits of risk assessment are well recognized; however, several challenges have constrained effective implementation of the risk assessment in Nigerian DMB's.

➢ *Weak Corporate Governance*

Inadequate risk assessments typically tend to come about as a result of poor governance structures where management overrules risks to achieve short-term gains (Klinke & Renn, 2021). Olayinka and Adekola, (2021) reveals that some of Nigeria's banks have been in financial distress as a result of managerial judgment errors and unethical risk taking.

➢ *Technological Deficiencies*

Banks' ability to detect and mitigate risks is weakened by a lack of advanced risk assessment tools and data analytics infrastructure (Oyewole et al., 2024). Artificial Intelligence (AI) and Machine Learning (ML), which are leveraged by the developed economies in risk identification, have not gained traction in Nigerian banks and as a result risk identification is still done manually and human error, and fraud could be the increased factor (Nnaomah et al., 2024).

➢ *Regulatory Gaps and Compliance Issues*

The CBN and NDIC enforce banking regulations, however, inconsistent implementation and enforcement frequently results in lack of compliance (Durodola, 2022). The regulatory arbitrage within many banks consists of how they use loopholes on risk assessment policies in order to maximize short-term profit at the cost of long-term stability.

III. METHODOLOGY

This study investigates the influence of risk assessment as a dimension of internal control systems on the performance of selected Deposit Money Banks (DMBs) in Nigeria. Due to risk assessment of the banking sector frameworks being complex, a secondary qualitative empirical approach is used. This method is especially appropriate for the testing of existing data sources to conduct a comprehensive contextual analysis of financial stability and efficiency of banks, as has been conducted by Creswell and Poth (2018).

A. *Research Design*

Secondary qualitative research design is used to analyse the textual data from the peer reviewed articles, regulatory reports and case studies. This approach hence opens the door for risk assessment beyond the numerical financial indicator and starts the interpretative analysis of the internal control frameworks (Duan et al., 2024). Qualitative research methodologies are particularly suitable in studies of banking risk assessment because the dimensions of such regulatory, strategic and operational assessment of banking risk may be unobservable in quantitative analysis (Newman et al., 2021). With the increase of regulatory scrutiny in Nigerian banking, thematic analysis of internal control practices in credit risk assessment, operational risk management and compliance risk frameworks are necessary to understand how risk assessment impacts financial stability.

B. *Data Collection Method*

Since credibility, relevance and robustness of the study are at stake, data for the study depend on secondary sources. These include the Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC) regulatory reports, banking industry guidelines (e.g. Basel III Accords and IFRS 9

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/25mar332

standards), which set global benchmarks for risk assessment. Furthermore, peer reviewed academic studies published in *The Journal of Banking Regulation, African Journal of Economic Policy and Journal of Risk and Financial Management*, provide scholarly perceptions on the effect of risk assessment on the financial performance.

Selected DMB's annual financial reports such as Zenith Bank, First Bank, GTBank and Access bank provide an insight on the implementation of risk assessment on the Nigerian banking stage (Oyewo, 2022). Banks' internal control framework, particularly in credit risk evaluation, operational risk mitigation and regulatory compliance, is integrated with these reports on how banks are assessing risk. Additionally, the study encompasses COSO's (Committee of Sponsoring Organizations of the Treadway Commission) framework of enterprise risk management, the best practices of internal control systems.

The study includes only empirical studies and regulatory reports published between 2018 and 2024, and excludes any outdated materials except for where they provide theoretical foundations. Also excluded are studies that do not address risk assessment mechanisms across general internal control systems.

C. Data Analysis Method

A Thematic analysis approach is used to qualitatively analyse textual data to ensure identification of recurring patterns and relationship amongst risk assessment frameworks (Robinson, 2022). This research begins with a familiarization phase where regulatory reports, financial statements and academic literature are reviewed systematically to acquire a general understanding of the emerging issues in risk assessment in Nigerian banking.

Then, the initial coding is done to extract the key risk related themes including credit risk assessment, compliance risk management, fraud detection mechanisms and operational risk mitigation strategies. Finally, these themes are organized into the broader categories of regulatory compliance, financial stability, governance effectiveness and risk response strategies (Braun & Clarke 2019). Based on these categories, the study then redefines them to be in accordance with the banking industry best practice, regulatory expectations and international risk management frameworks. The final phase involves defining and naming the core themes, such as the impact of risk assessment on financial resilience, fraud prevention, and operational sustainability (Abdullahi & Tela, 2022).

D. Ethical Considerations

Since this study is based on secondary data, it is important to take ethical considerations into account as academic integrity and credibility (Stone, 2023). Ethical standards are upheld by using only verified secondary sources such as peer-reviewed journals, regulatory agencies, and officially published bank reports. Compliance with ethical research practices also requires proper citation and attribution in APA 7 format (American Psychological Association, 2020). Reliance is placed on publicly available reports for confidentiality, meaning that no other sensitive financial information is revealed from private sources.

E. Limitations of the Study

Limitations are acknowledged in the study despite the methodology being robust. A major constraint is that secondary data are relied on for information, hence real time insights on newly evolving risk assessment challenges may not be fully covered. There are also generalizability issues with the study since findings might not apply across all DMBs in Nigeria considering the variations in bank size, ownership structure, and regulatory compliance levels (Ojo-Agbodu et al., 2024). Moreover, bias in secondary source research is a cause for concern since some of the banking reports may project a minimized internal control weakness. However, the study draws from several proven sources to provide a balanced and comprehensive coverage of risk assessment in the Nigerian banking sector.

IV. FINDINGS AND DISCUSSION

The Secondary qualitative empirical analysis of risk assessment in selected Deposit Money Banks in Nigeria on the dimension of internal control systems is presented in this section. A thematic, insight, drawn from regulatory reports, academic studies, and financial statements is also set in the framework of broader banking industry challenge and risk management best practices encountered.

A. Risk Assessment Frameworks in Nigerian Deposit Money Banks

The financial stability, regulatory compliance, and operational efficiency in Nigerian banks are core components of internal control system affecting risk assessment (Ortino, 2019). The study shows that DMBs based in Nigeria apply structured risk assessment frameworks that conform to global financial regulation frameworks such as the Basel III Accords, the IFRS 9 Expected Credit Loss (ECL) model and the COSO Enterprise Risk Management (ERM) framework. Banks use these frameworks to identify, assess, and escalate financial risks in terms of credit, fraud, operational and market risk.

➢ *Credit Risk Assessment*

Risk assessment focus for Nigerian banks is on credit risk emanating from loan defaults and Non-Performing Loans (NPLs). Banks use risk-based credit models to calculate the probability of default (PD), loss given default (LGD), and exposure at default (EAD) (Ahmed et al., 2016). Nonetheless, these mechanisms may not curb the increasing rate and prevalence of non performing loans, some banks have their NPL rates exceeding the Central Bank of Nigeria's (CBN) regulatory benchmark rate of 5% (NDIC, 2021). And this implies that even though banks have risk assessment

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/25mar332

frameworks, the effectiveness in controlling credit risk is not uniform.

Banks also use historical data and financial ratios to assess a risk and these numbers never take into account the inherent risks such as macro economic volatility, exchange rate fluctuation or political instability (PwC, 2022). To enhance predictive accuracy, some banks are now combining artificial intelligence (AI), and machine learning (ML) models, particularly to predict creditworthiness of small and medium enterprises (SMEs).

➢ *Operational Risk Assessment*

Due to rising incidents of cybercrime and digital fraud according to Nzeakor et al., (2022), operational risk associated with fraud, cyber threats, process failures, and human errors has received more attention in the Nigerian banking industry. The study also shows that DMBs have expanded their risk assessment processes to include the cybersecurity risk management in line with increased digital banking adoption (Kristian et al., 2024). However, there is still a gap between real time fraud detection, as fraud cases are detected upon the completion of the transactions causing financial loss.

Additionally, it is found that banks with strong internal control structure including automated fraud detection systems, whistleblower protection programs, as well as incidence response mechanism experience lower loss to fraud. Weak enforcement of fraud prevention policies in some institutions enables these weaknesses (NDIC, 2021).

➢ *Compliance and Regulatory Risk Assessment*

Despite compliance risk being an area of major concern, some Nigerian banks have been fined and penalized for noncompliance with regulatory procedures (Akonye et al., 2019). Banks are found to have enhanced their compliance risk assessment by adopting automated regulatory reporting tools and strengthening the internal audit mechanisms.

However, there remain challenges when adhering to regulatory obligations; in particular with regard to anti-money laundering (AML) and counter terrorist financing (CTF). KYC protocols were not fully embedded in some banks and this resulted in regulatory sanctions (NDIC, 2021). Banks which implement real time compliance monitoring systems are more likely to pass regulatory assessments, which might indicate that spending on compliance technology is a good way to enhance regulatory risk management.

➢ *Market and Liquidity Risk Assessment*

Fluctuations in exchange rates, interest rates and macroeconomic instability is the biggest threat to Nigerian banks making the banks vulnerable to market risk. According to Taskinsoy, (2022), the Banks engage in stress testing and scenario analysis to anticipate possible losses as a result of economic shocks. However, while some banks have an effective market risk model, and are capable of real time risk tracking, others don't have the capacity to cope with sudden economic downturn (Deloitte, 2021).

Likewise, the assessment of liquidity risk is key to prevent banks from having insufficient liquid assets to fulfill its financial obligations. This finding implies that banks that are proactive in managing liquidity show more financial stability (NDIC, 2021). Nevertheless, small banks are bound to liquidity constraints and are more vulnerable to financial distress during an economic crisis.

B. *Comparative Insights from Leading Banks*

This study compares the risk assessment practices of the four leading banks within Nigeria: Zenith Bank, GTBank, First Bank and Access Bank to establish what best practices can be adopted and areas that can be improved upon.

Zenith Bank has developed a highly automated risk assessment framework of credit risk modeling using real time fraud detection systems thereby having low non performing loan ratio and high regulatory compliance scores (Zenith Bank (2022)).

GTBank has a solid operational risk management strategy (GTBank, 2022) centered on cybersecurity and fraud prevention in order to minimize financial losses due to fraud related activities.

First Bank has shown robust market risk assessment mechanisms, especially in the foreign exchange risk management which positions it to remain competitive during currency fluctuations (First Bank, 2022).

While Access Bank has made significant improvements in credit risk evaluation, there is continuous compliance risk paramount to AML regulations (Access Bank, 2022).

Based on these insights, it is evident that although Nigerian banks have greatly improved in risk assessment, there are still gaps in regulatory compliance, achieving liquidity management, and fraud prevention.

C. *Discussion: New Insights and Implications*

➢ *A New Perspective on Risk Assessment in Nigerian Banks*

Outside existing work, this research extends to understand risk assessment frameworks in the vicinity of the conventional financial indices comprehensively. Contrarily, this work integrates a cybersecurity view with views of compliance automation and real time fraud detection into offering a holistic risk assessment mechanism of the Nigerian banks.

➢ *Implications for Banking Policy and Practice*

- AI Driven Risk Models: The prediction of loan default and efficiency of fraud detection are the boosted priorities for Nigerian banks to invest on AI powered credit risk models.
- Compliance Challenges: They can address Regulatory Technology (RegTech) adoption to achieve real-time regulatory reporting and AML monitoring through.

➢ *Future Research Directions*

Research into the potential of fintech driven risk assessment models is to examine how digital lending platforms and blockchain technology impacts risk mitigation in the Nigerian banking setting. Research also should focus on the impact on the effectiveness of regulatory frameworks on reducing the level of fraud and compliance risks across different bank tier.

V. CONCLUSION AND RECOMMENDATIONS

A. Conclusion

Deposit Money Banks (DMBs) in Nigeria were examined in terms of the impact of risk assessment, one out the components of the internal control system. Risk assessment practice has large impact on financial stability, operation efficiency and fraud detection, according to the findings. This suggests that stronger reaction to financial crises is found when banks use more desirable proactive risk assessment, incorporating predictive analytics and compliance mechanisms. However, poor technological adoption and gaps in the regulatory affairs impede the optimal risk assessment implementation. Additionally, the study under focuses on the need to develop a dynamic risk management framework that accommodates the Nigerian banking peculiarities while fulfilling the global banking regulations. An institution that does not establish sound risk assessment framework is much more prone to financial mismanagement, fraud and systemic instability. Thus, this study, therefore, contributes to the expanding knowledge of internal control effectiveness, specifically in terms of risk assessment as a determinant of bank performance.

B. Recommendations

Based on the study's findings, the following recommendations are proposed:

➢ *Strengthening Technological Adoption in Risk Assessment:*

Artificial Intelligence (AI), machine learning and Blockchain technology can be used by Banks to strengthen Technological adoption in application of Risk Assessment, that is, helping to identify, and mitigate risk in real time. Financial risk assessment should incorporate predictive analytics to help with decision making and fraud detection.

➢ *Regulatory Compliance and Framework Enhancement:*

The Central Bank of Nigeria (CBN) should continuously revise risk assessment guidelines to meet the international best practice standard such as the Basel III. Regular audits and penalties on noncompliance should be taken to enforce compliance.

➢ *Integration of Enterprise Risk Management (ERM):*

Banks should achieve a comprehensive ERM approach that includes financial, operational, and compliance risks. A centralized risk management system allows coordination and efficiency of risk assessment processes.

➢ *Enhancing Internal Audit and Control Measures:*

Risk assessment procedures should be periodically checked by independent audit committees. Transparency and accountability can be enhanced by strengthening of internal control mechanisms.

➢ *Collaboration with Regulatory Bodies and Law Enforcement:*

Banks have to work in conjunction with the EFCC and other law enforcement Agencies to fight financial crimes. Collaboration can reduce some new threats such as cyber fraud or insider related financial misconduct.

C. Areas for Further Research

Future studies can examine how emerging financial technology can affect the efficiency of risk assessment in Nigerian banks. A comparison of risk assessment effectiveness in Nigerian banks with that of international financial institutions would also enrich the understanding of the best practices.

REFERENCES

[1]. Abdullahi, B. M., & Tela, U. M. (2022). Impact of Risk Management on the Financial Performance of Listed Deposit Money Banks (DMBS) in Nigeria. *Journal of Economics, Finance and Management Studies*, *5*(11).

[2]. *Access Bank Annual Report 2022 - Investor Relations*. https://accessbankplc.com/annual-report/AccessBank_2022_Annual_Report.pdf

[3]. Adam, M., Soliman, A. M., & Mahtab, N. (2023). Measuring enterprise risk management implementation: A multifaceted approach for the banking sector. *The Quarterly Review of Economics and Finance*, *87*, 244–256.

[4]. Adu, D. A. (2022). Competition and bank risk-taking in Sub-Saharan Africa countries. *SN Business & Economics*, *2*(7), 80.

[5]. Agbana, J., Ibrahim, U. A., & Maitala, F. (2015). *An Exploration of the Impact of Financial Risk on the Financial Performance of Quoted Deposit Money Banks in Nigeria*. https://www.researchgate.net/profile/John-Agbana/publication/382462838_An_Exploration_of_the_Impact_of_Financial_Risk_on_the_Financial_Performance_of_Quoted_Deposit_Money_Banks_in_Nigeria_2015-2023/links/669f61335919b66c9f6604d9/An-Exploration-of-the-Impact-of-Financial-Risk-on-the-Financial-Performance-of-Quoted-Deposit-Money-Banks-in-Nigeria-2015-2023.pdf

[6]. Ahmed, S., Ali, S. W., & Zubair, M. T. (2016). In L. O. S. S. G. I. V. E. N. Default (Ed.), *& EXPOSURE AT DEFAULT (EAD) IN THE VIEW OF BASEL III. In 14th International Conference on* (p. 381).

[7]. Akonye, C., Okonkwo, O. T., & Okoye, E. I. (2019). Regulatory non-compliance charges and performance of deposit money banks in Nigeria. *Accounting and Taxation Review*, *3*(4), 83–98.

[8]. Alawaqleh, Q. A. (2021). The effect of internal control on employee performance of small and medium-sized enterprises in Jordan: The role of accounting information system. *The Journal of Asian Finance, Economics and Business*, *8*(3), 855–863.

[9]. Aledeimat, S. R. M., & Bein, M. A. (2025). Assessing US and Global Economic Policy Uncertainty Effects on Non-Performing Loans in MENA's Islamic and Conventional Banks. *International Journal of Finance & Economics*.

[10]. *Annual report and statement of accounts*. (2021). NDIC. *Annual Reports - First HoldCo Plc*. (2022). https://www.fbnholdings.com/investor-relations/annual-report/annual-reports/

[11]. Badmus, S., & Kenechukwu, R. (2024). *An Overview of Pre-failure Disputes and Judgements Obtained Against Failed Banks in Nigeria*. https://papers.ssrn.com/sol3/Delivery.cfm?abstractid=5029520

[12]. Bello, O. A. (2023). Machine learning algorithms for credit risk assessment: an economic and financial analysis. *International Journal of Management*, *10*(1), 109–133.

[13]. Chairani, C., & Siregar, S. V. (2021). The effect of enterprise risk management on financial performance and firm value: the role of environmental, social and governance performance. *Meditari Accountancy Research*, *29*(3), 647–670.

[14]. Committee of Sponsoring Organizations of the Treadway Commission. (2012). *Internal Control—Integrated Framework: Executive Summary*. https://egrove.olemiss.edu/cgi/viewcontent.cgi?article=1776&context=aicpa_assoc

[15]. Creswell, & Poth. (2018). *Qualitative inquiry and research design: Choosing among five approaches*. Sage Publications, Inc.

[16]. Duan, W., Hu, N., & Xue, F. (2024). The information content of financial statement fraud risk: An ensemble learning approach. *Decision Support Systems*, *182*, 114231.

[17]. Durodola, M. O. (2022). *Regulatory Compliance Practices and Performance of Microfinance Banks in Kwara State, Nigeria*. Kwara State University (Nigeria.

[18]. Ferreira, C., Jenkinson, N., & Wilson, C. (2019). *From Basel I to Basel III: Sequencing implementation in developing economies*. International Monetary Fund.

[19]. Folowosele, F. A., & Ikpefan, O. A. (2021). Electronic Fraud: An emerging cause of Bank Failure in nigerian deposit money Banks. *International Journal of Economics and Management Systems*, *6*.

[20]. Girling, P. X. (2022). *Operational risk management: A complete guide for banking and fintech*. John Wiley & Sons.

[21]. *Guaranty Trust Bank Plc Pillar 3 Disclosure*. (2022). https://www.gtbank.com/about/our-company/corporate-governance/board-risk-

[22]. Ibrahim, M. A. (2018). *Determinants of Operational Efficiency of Selected Nigerian Deposit Money Banks*. Kwara State University (Nigeria.

[23]. Ikue, N. J., Denwi, J. O., Sodipo, J. A., & Enegesi, L. B. (2022). Bank-specific performance indicators, macroeconomic variables and capital adequacy of Nigerian banking industry. *International Journal of Research in Business and Social Science*, *11*(6), 288–299.

[24]. Kalia, A., & Gill, S. (2023). Corporate governance and risk management: a systematic review and synthesis for future research. *Journal of Advances in Management Research*, *20*(3), 409–461.

[25]. Kassem, R. (2022). Elucidating corporate governance's impact and role in countering fraud. *Corporate Governance: The International Journal of Business in Society*, *22*(7), 1523–1546.

[26]. Klinke, A., & Renn, O. (2021). The coming of age of risk governance. *Risk Analysis*, *41*(3), 544–557.

[27]. Kristian, A., Az-Zahra, A. R., Hidayat, F., Fauzi, A. Y., & Kallas, E. (2024). Enhancing Cybersecurity Risk Management Strategies in Financial Institutions: A Comprehensive Analysis of Threats and Mitigation Approaches. *Journal of Computer Science and Technology Application*, *1*(2), 96–103.

[28]. Meckling, W. H., & Jensen, M. C. (1976). Theory of the Firm. *Managerial Behavior, Agency Costs and Ownership Structure*, *3*(4), 305–360.

[29]. Newman, P. A., Guta, A., & Black, T. (2021). Ethical considerations for qualitative research methods during the COVID-19 pandemic and other emergency situations: Navigating the virtual field. *International Journal of Qualitative Methods*, *20*, 16094069211047823.

[30]. Nnaomah, U. I., Odejide, O. A., Aderemi, S., Olutimehin, D. O., Abaku, E. A., & Orieno, O. H. (2024). AI in risk management: An analytical comparison between the US and Nigerian banking sectors. *International Journal of Science and Technology Research Archive*, *6*(1), 127–146.

[31]. Nwachukwu, G., Oladepo, O., & Avickson, E. K. (2024). Quality control in financial operations: Best practices for risk mitigation and compliance. *World Journal of Advanced Research and Reviews*, *24*(1), 735–749.

[32]. Nzeakor, O. F., Nwokeoma, B. N., Hassan, I., Ajah, B. O., & Okpa, J. T. (2022). Emerging trends in cybercrime awareness in Nigeria. *International Journal of Cybersecurity Intelligence & Cybercrime*, *5*(3), 41–67.

[33]. Obadire, A. M., Moyo, V., & Munzhelele, N. F. (2022). Basel III capital regulations and bank efficiency: Evidence from selected African Countries. *International Journal of Financial Studies*, *10*(3), 57.

[34]. Ojo-Agbodu, A., Ajibola, O. O., & Tomomewo, A. O. (2024). Corporate Characteristics and Performance Disclosure of Listed Deposit Money Banks in Nigeria. *Global Journal of Accounting*, *10*(1), 11–23.

ISSN No:-2456-2165 https://doi.org/10.38124/ijisrt/25mar332

[35]. Olayinka, S., & Adekola, O. (2021). Corporate failure in Nigeria: A resultant effect of creative accounting. *International Journal of Social Sciences and Management Review*, *4*(1), 110–125.
[36]. Omondi, M. A. (2021). *Internal control systems on financial accountability in national public secondary schools in Kenya*. Jkuat-Cohred.
[37]. Ortino, M. (2019). Thirty years after the Basel accord and ten after the financial crisis: The Basel committee on banking supervision and its place in international economic law. *Journal of International Economic Law*, *22*(2), 159–161.
[38]. Oyewo, B. (2022). Enterprise risk management and sustainability of banks performance. *Journal of Accounting in Emerging Economies*, *12*(2), 318–344.
[39]. Oyewole, A. T., Okoye, C. C., Ofodile, O. C., & Ugochukwu, C. E. (2024). Cybersecurity risks in online banking: A detailed review and preventive strategies applicatio. *World Journal of Advanced Research and Reviews*, *21*(3), 625–643.
[40]. P.w.c. (2022). https://www.pwc.com/ng/en/assets/pdf/pwc-nigeria-transparency-report-2022.pdf
[41]. Robinson, O. C. (2022). Conducting thematic analysis on brief texts: The structured tabular approach. *Qualitative Psychology*, *9*(2), 194.
[42]. Settembre-Blundo, D., González-Sánchez, R., Medina-Salgado, S., & García-Muiña, F. E. (2021). Flexibility and resilience in corporate decision making: a new sustainability-based risk management system in uncertain times. *Global Journal of Flexible Systems Management*, *22*(Suppl 2), 107–132.
[43]. Stone, A. (2023). Student perceptions of academic integrity: A qualitative study of understanding, consequences, and impact. *Journal of Academic Ethics*, *21*(3), 357–375.
[44]. Tamimi, O. (2021). The role of internal audit in risk management from the perspective of risk managers in the banking sector. *Australasian Accounting, Business and Finance Journal*, *15*(2). https://www.uowoajournals.org/aabfj/article/id/1184/download/pdf/
[45]. Taskinsoy, J. (2022). Stress testing financial systems: macro and micro stress tests, basel standards and value-at-risk as financial stability measures. In *Basel Standards and Value-at-Risk as Financial Stability Measures*.
[46]. Zenith Bank PLC (ZENITH.ng) 2022 Annual Report https://africanfinancials.com/document/ng-zenith-2022-ar-00/