

1.1 BACKGROUND OF THE STUDY

Credit management is the process of controlling and collecting payments from customers. This is the function within a bank or company to control credit policies that will improve revenue and reduce financial risks. Andrew, J. (2014).

Credit managements can only be seen as an integral part of lending and as such in its absence, good loans and other credits can turn bad. Good credit managements require the establishments of an adherence to sound and efficient credits policies of the governments. Credit must be made by bank to people who are capable of utilizing it well and repaying the loans at its maturity.

However credit managements in deposit money bank plays vital roles in the mobilization of savings from surplus economic units and channeling same to the deficit economic unit for investments purposes in the form of credit (loan and advance).

Deposit money bank like other business as established to make profit, for this reason they may employ their funds with the objectives of acquiring certain kind of earnings (interest through customers). There are compelling need for an efficient credits administration in Nigeria, therefore Deposit money banks can achieve their profits objective while holding risk to reasonable units.

Sincere demand deposit constitutes a large sum of the money supplied, the system is able to expand the nation supply of money. The assertion that Deposit money bank need liquid asset, especially the short term asset that can be converted into cash, loans constitute a reasonable amount of asset in a bank.

Good bank lending ensure high profits level, greater returns and underscore meeting their social responsibility to the benefits of the society while on the other hand, bank lending can also affect the bank negatively in various ways for instance, it might take great chance of their annual profits which the bank need to stay or in business, this and the indiscriminate extension of loans although within the credits guideline without proper supervision of such loans leads to and increasing irrecoverable debt.

First bank of Nigeria limited was established in 1894, is the premier Bank in west Africa, Nigeria's Number one bank brand and the leading financial services solutions provider in Nigeria . The Bank was founded by Sir Alfred Jones, a shipping magnate from Liverpool, England. With its head office originally in Liverpool , the bank commenced business on a modest scale in Lagos , Nigeria Under the name, Bank of British west Africa (BBWA) First Bank is a well- diversified financial services group and the largest private sector financial services provider in suharan Africa (ex -south Africa). The bank maintains the leading positions in many of the markets in which it operates, market leading distribution capability and well recognized brand with a large customer base.

STATEMENT OF PROBLEM

Deposit money banks plays very important role along side other members of the financial sector. They are profit seeking enterprise as such it shares with other business the same set of expectation concerning the health of the economy. It is on this light that it makes loans available to customers on interest which is a source of profit to the bank. Alongside, the growth in the credit is the increase high incidence of bad debt. Due to credit poor managements.

Given the phenomenon of bad debt and the consequents loss being declared by banks, there is therefore need to examine the credit managements of the banks with a view of finding o how best to reduce the incidence of bad debt. There has been a conferrable concern showed by the management of the bank on this because that affects the profitability of the bank and also affects the limits of its expansion.

This project aimed at evaluating, the impacts of credits management on the profitability of Deposit money bank.

OBJECTIVES OF THE STUDY

The main objective of the study is to find out the effects of credit management on Deposits Money Bank profitability. The sub – objectives of this study include:

To examine the credit management techniques adopted by Deposit Money Banks to

enhance their performances.

To identify the tools used for credits Managements in Deposit Money Banks for reasonable profitability.

To examine the problems impeding effective credit managements in Nigeria Deposits Money Bank.

To find out the ways of improving credits managements in Deposits Money Banks to ensure their profitability.

RESEARCH QUESTIONS

What are the techniques Credit Management adopted by Deposit Money Banks to enhances their profitability?

What are the tools used in credit management in the Deposit Money Banks for reasonably profitability?

What are the problems impeding effective credit Management in Nigeria Deposit Money Banks?

What are the ways of improving credit management in Deposits Money Banks to ensure their profitability?

SIGNIFICANCE OF THE STUDY

This study will afford deposits money banks especially First Bank of Nigeria P.L.C. Sufficient policies and guidelines that will facilitate, improved performance of their business.

This research work will provide an insight on how credit management techniques adopted by banks can be helpful in meeting the bank objectives.

Also, it will be a useful guide to other researcher, especially students who may be interested in further research study on credit managements.

SCOPE AND LIMITATIONS OF THE STUDY

This study is focused on the credit managements in the Nigeria banks, using First Bank Nigeria PLC as a case study.

The major limitations encountered in this study were:

Lack of sufficient time.

Financial constraint

Difficulties in getting an appointments with bank's personnel

The study was also limited by lack of adequate information and stress in printing source documents.

ORGANIZATION OF THE STUDY

The study is presented in five chapters: chapter one focuses on the general introduction of the study, background of the study,

CREDIT MANAGEMENT AND THE PROFITABILITY OF DEPOSIT MONEY BANKS IN NIGERIA (A case study of First Bank Nigeria Plc, 2010-2015)

The complete project material is available and ready for download. All what you need to do is to order for the complete material. The price for the material is NGN 3,000.00.

Make payment via bank transfer to Bank: Guaranteed Trust Bank, Account name: Emi-Aware technology, Account Number: 0424875728

Bank: Zenith Bank, Account name: Emi-Aware technology, Account Number: 1222004869

or visit the website and pay online. For more info: Visit <https://researchcub.info/payment-instruct.html>

After payment send your depositor's name, amount paid, project topic, email address or your phone number (in which instructions will sent to you to download the material) to +234 70 6329 8784 via text message/ whatsapp or Email address: info@allprojectmaterials.com.

Once payment is confirmed, the material will be sent to you immediately.

It takes 5min to 30min to confirm and send the material to you.

For more project topics and materials visit: <https://researchcub.info/> or For enquiries: info@allprojectmaterials.com or call/whatsapp: +234 70 6329 8784

Regards!!!