

## **Risk Management and the Financial Performance of Commercial Banks in Uganda: A Case Study of Stanbic Bank Uganda, Main Branch, Kampala**

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**Keywords:** *Risk, Risk Management, Financial Performance, Commercial Bank*

### **Introduction**

The study examined the role of risk management in the performance of commercial banks in Uganda focusing on Stanbic Bank Uganda.

**The key study objectives were:**

- i. to establish how Stanbic Bank Uganda identifies the degree of risk to enhance liquidity;
- ii. to examine how Stanbic Bank Uganda analyses risk in its operations to increase the Bank's profitability;
- iii. to assess how the control procedures put in place by Stanbic Bank Uganda enhance the growth of the Bank's portfolio.

## **Methodology**

The study utilised a case study research design and employed both the qualitative and quantitative research approaches. The study population comprised all employees at the Stanbic Bank Uganda's Head office, out of whom a sample size of 120 respondents was selected and interviewed.

## **Key study findings**

The study found out that Stanbic Bank Uganda identifies the degree of risk to enhance liquidity through leadership, planning and strategic alignment, monitoring, reporting, and continuous improvement. The increase in the growth of the Bank's portfolio was explained by 63.4% of the use of appropriate control procedures and the remaining 36.6% was explained by other factors.

## **Key recommendations**

The study recommended that Stanbic Bank Uganda makes the management of operational risk an integral part of the strategic decision-making process. This would help with continuous monitoring that would support risk management decisions to help maintain organizational risk tolerance at acceptable levels.

## **Key references**

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