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**ASSIGNMENT**

Using the NIST CSF 2.0, Explain in a tabular form how to identify, protect, detect, respond, recover and govern the potential risk faced by the financial sector.

**ANSWER**

| **Risk Category** | **Identify** | **Detect** | **Protect** | **Respond** | **Recover** | **Govern** |
| --- | --- | --- | --- | --- | --- | --- |
| **Regulatory & Compliance Risk** | - Conduct regulatory assessments.  - Identify applicable laws and regulations.  - Perform gap analysis. | - Use compliance monitoring tools.  - Track regulatory changes.  - Conduct regular audits and reviews. | - Develop and implement compliance policies.  - Provide ongoing training.  - Establish internal controls. | - Address compliance violations.  - Engage with regulators.  - Update  compliance processes and policies. | - Implement corrective measures.  - Update and improve compliance programs.  - Conduct post-incident reviews. | - Establish a compliance oversight committee.  - Regularly review and update compliance frameworks.  - Ensure continuous training and awareness. |
| **Credit Risk** | - Evaluate borrower creditworthiness.  - Review credit policies and limits.  - Analyze historical credit data. | - Monitor credit exposures.  - Use credit scoring models.  - Track payment performance and defaults. | - Set credit limits.  - Require collateral or guarantees.  - Diversify credit portfolio. | - Take action on overdue accounts.  - Adjust credit terms or limits.  - Initiate  collection processes. | - Reassess and restructure credit terms.  - Recover from defaults.  - Write off uncollectible debts. | - Implement a credit risk management framework.  - Regularly review credit policies.  - Monitor and adjust credit exposure. |
| **Market Risk** | - Identify exposure to market fluctuations.  - Assess economic and financial conditions.  - Review asset and liability profiles. | - Use market risk analytics.  - Monitor financial markets and economic indicators.  - Track performance of investments. | - Use hedging strategies.  - Diversify investments.  - Set exposure limits and manage asset allocation. | - Adjust investment strategies.  - Implement risk mitigation actions.  - Communicate with stakeholders about risks. | - Rebalance portfolios.  - Analyze losses and adjust strategies.  - Implement measures to minimize future risk. | - Develop a market risk management framework.  - Regularly review market risk policies.  - Monitor market conditions and adjust strategies accordingly. |