Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

BANKING SECTOR TRANSFORMATION IN NIGERIA: EVIDENCE FROM THE 2005 REFORM AGENDA

[1] Chukwuemeka Obiora Ndukwe and [2] Ifunanya Ugochi Okafor
Department of Banking and Finance Abia State University, Uturu Nigeria
DOI:https://doi.org/10.5281/zenodo.15487479

Abstract: This research study was conducted on banking sector reforms, its opportunities and challenges for Nigeria Economic Development. The study examined how the banking sector performed a decade after the 2005 banking recapitalization, the problems associated with the profitability and efficiency of banks. The study utilized multiple regression using SPSS, The correlation coefficient R2 for each of the banks studied indicated that most of the variations in the dependent variables were explained in the independent variables. The Variance Impact Factor (VIF) and Ftests showed that model was not plagued by multicollinearity and the model's goodness of fit adjudged reliable. It became apparent from the findings that the banking sector reforms in 2005 significantly impacted on the lending rates, deposits and profitability. The study recommends that various macroeconomic and institutional problems facing the Nigerian economy, which include inappropriate macroeconomic policies, inadequate policy coordination, social -political instability, high cost of doing business and multiple taxes and levies should be tackled with new bank reforms.

Keywords: Banking sector, performance, post-recapitalization and Nigerian banks

1.0 INTRODUCTION

There are many studies in similar researches about the relationship between the adequacy of bank capital and the performance of banks in the sector. In the Nigerian banking sector there has been various attempts by the regulators to increase the minimum capital of banks over the years but none more revolutionary in size and complexity than the 2005 reforms by the Central Bank of Nigeria (CBN). In 2005 the CBN put the minimum paid up capital of banks to N25billion (US$173million) from N2billion (US$14million). In 2004, the banking industry of Nigeria consisted of 89 banks which after the recapitalization decreased to 25 larger and better capitalized banks. Some of the major considerations for further recapitalization include the quality of banks, establishment of financial stability, enabling healthy financial sector evolution and ensuring the financial sector contributes to real economy.

1.1 BRIEF HISTORY OF SELECTED BANKS

There are four banks selected for this study. They are First Bank Plc, Access Bank Plc, Zenith Bank Plc and Guarantee Trust Bank Plc. These banks were considered because of the level of capitalization, market spread and they are quoted companies that have consistently performed well over time at the Stock Market.

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

1.1.1 FIRST BANK LTD

First bank was founded in 1894 as the Bank for British West Africa; it was the First banking institution to be established on African Continent. With over 120 years of its banking history, the bank is considered a significant representation of the industry. It is headquartered in Marina, the heart of Lagos. The bank originally served as the British Shipping and Trading Agencies in Nigeria. The founder, Alfred Lewis Jones was a shipping magnet who originally had a monopoly in importing silver currency into West Africa through his Elder Dempster Shipping Company. After Nigeria independence in 1960, the Bank began to extend more credits to indigenous Nigerians. At the same time citizens began to trust British Bank, since there was an independent financial control mechanism and more citizens began to patronize the Bank of West Africa now known as First Bank Nigeria Plc. It converted to a public company in 1970 and was listed on the NSE in 1971. However, as part of the implementation of the non-operating holding company structure, it was delisted from the stock exchange and replaced with FBN Holdings Plc. in 2012.

1.1.2 ACCESS BANK PLC

Access bank Plc is a Nigerian multinational commercial bank, owned by Access Bank Group and licensed by the CBN. It is headquartered in Victoria Island, Lagos, and the financial capital of Nigeria. The bank received its license from the CBN in 1989 and was listed in the Nigerian Stock Exchange in 1998. In 2002 the bank was taken over by a core of new management led by
Aigboje Aig-Imoukhede and Herbert Wigwe. During the reforms of 2005, the bank acquired Marina Bank and Capital Bank. In 2007, it established a subsidiary in Gambia. In 2008, there were more acquisitions as the bank consolidated positions with 88% shares of Omnifinance bank, 90% of Banque Privee du Congo, 75% shares of Bancor SA in Rwanda. Also in 2008 there were subsidiaries established at Lusaka, Freetown and London. By 2010 Access Bank had fully acquired the defunct Intercontinental Bank making the bank one of the largest four commercial banks in Nigeria with over 5.7 million customers, 309 branches and 1,600 Automated Teller Machines.

1.1.3 ZENITH BANK PLC

Zenith Bank Plc was established in May 1990, and commenced operations in July of the same year as a commercial bank. The Bank became a public limited company on June 17, 2004 and was listed on the Nigerian Stock Exchange (NSE) on October 21, 2004 following a highly successful Initial Public Offering (IPO). Zenith Bank Plc currently has a shareholder base of about one million and is Nigeria‟s biggest bank by tier-1 capital. In 2013, the Bank listed $850 million worth of its shares at $6.80 each on the London Stock Exchange (LSE).
Headquartered in Lagos, Nigeria, Zenith Bank Plc has more than 350 branches and business offices in prime commercial centers in all states of the federation and the Federal Capital Territory (FCT). In March 2007, Zenith Bank was licensed by the Financial Services Authority (FSA) of the United Kingdom to establish Zenith Bank (UK) Limited as the United Kingdom subsidiary of Zenith Bank Plc. Zenith Bank also has subsidiaries in: Ghana, Zenith Bank (Ghana) Limited; Sierra Leone, Zenith Bank (Sierra Leone) Limited; Gambia, Zenith Bank (Gambia) Limited; UAE, Zenith Bank (UK) Limited - (DIFC Branch). The bank also has representative offices in South Africa and The People‟s Republic of

China. The Bank plans to take the Zenith brand to other African countries as well as the European and Asian markets.

Zenith Bank is one of Nigeria's largest banks. The bank currently has a shareholder base of about one million and is the biggest tier-1 bank in Nigeria. Established in May 1990, it became a public limited company on June 17, 2004 and was listed on the Nigeria Stock Exchange on October 21, 2004. The bank's shares are traded on the London Stock Exchange (LSE) following a listing of the $850 million worth of its shares at $6.80 each.

With its headquarters in Lagos, Nigeria, Zenith Bank has more than 350 branches and business offices spread across all states of the Federation and the Federal Capital Territory (FCT), Abuja. Zenith Bank has presence in the United Kingdom, United Arab Emirates, Ghana, Sierra Leone and The Gambia. The Bank also has representative offices in South Africa and China and plans are afoot to take the Zenith franchise to other Sub-African regions as well as the European and Asian markets while consolidating its position as a leading financial service provider in Nigeria and locations where she currently operate.

1.1.4 GUARANTY TRUST BANK PLC

Guaranty Trust Bank plc also known as GTBank or simply GTB is a Nigerian multinational financial institution, that offers Online/Internet Banking, Retail Banking, Corporate Banking, Investment Banking and Asset Management services, based in Victoria Island, Lagos. Guaranty Trust Bank plc was incorporated as a limited liability company licensed to provide commercial and other banking services to the Nigerian public in 1990 and commenced operations in February 1991. In September 1996, Guaranty Trust Bank plc became a publicly quoted company and won the Nigerian Stock Exchange President‟s Merit award. In February 2002, the Bank was granted a universal banking license and later appointed a settlement bank by the Central Bank of Nigeria (CBN) in 2003. Guaranty Trust Bank undertook its second share offering in 2004 and raised over N11 billion from Nigerian Investors to expand its operations.On 26 July 2007 GTBank became the very first subsaharan bank and first Nigerian joint stock company to be listed on London Stock Exchange and Deutsche Börse. The IPO raised US$750,000,000. In the same year, they successfully placed Nigeria's first private Eurobond issue on the international capital markets.

The GTBank USD 500,000,000 Eurobond was the first ever Benchmark Eurobond issue by a Nigerian corporate and the second Eurobond programme by GTBank in the last 5 years. The long-term debts of Guaranty Trust Bank plc are rated BB- by Standard & Poor's and AA- by Fitch Ratings, which are the highest ratings for a Nigerian bank. They introduced online banking and SMS banking in Nigeria and a naira denominated MasterCard as well as the *Platinum* and *World Signia* cards and with *GTB-on-wheels*, mobile branches. On 12 March 2008, GTBank was given a banking licence for the United Kingdom by the Financial Services Authority. GTBank is a partner of Eko Atlantic City a new made island (820 ha.) in the Atlantic ocean, adjacent to Victoria Island Lagos. It will be the home of the new Financial District. The building of Eko Atlantic City started in 2009 and is expected to be finished in 2016.

To commemorate the bank's 20th anniversary, the Nigerian Postal Service issued a set of GTBank Anniversary postage stamps. This was the first time in Nigeria that a corporate organization was

honored in such a way. In 2011, the bank became the biggest bank in Nigeria by market capitalization. In 2013, the Bank issued a USD 400,000,000 Euro bond at a coupon rate of 6%; the least obtained by a Nigerian company in the international capital market. The Eurobond was issued under the USD 2,000,000 Global Medium Term Note Programme, which is registered under both Regulation in the United State of America and Rule 144A in the United Kingdom and sold to investors across Africa, America, Asia and Europe. The Bank has over 10,000 employees.

1.2 STATEMENT OF THE PROBLEM

The research problems that have necessitated this study include the rampant long systematic distress occasioned by lack of funding, poor management of funds and poor risk assessment leading to low asset quality over the years. The increase in risks to bank deposits as a result of capital inadequacy should be of serious concern to the regulators such as the Central Bank of Nigeria (C.B.N) and Nigerian Deposit Insurance Corporation (N.D.I.C) considering the importance of having robust banks that can grow the economy and compete globally. It is critical to examine the problems mentioned to contribute to policy regarding recapitalization and its effect on bank performance.

1.3 OBJECTIVES OF THE STUDY

i. To determine the extent to which the recapitalization reforms in the banking sector have increased banks profitability since 2005

ii. To ascertain effect of recapitalization reforms on customer deposits since the 2005 reforms

iii. To examine the influence of recapitalization reforms on lending by commercial banks since 2005.

1.4 RESEARCH QUESTION

i. To what extent has recapitalization reform in the banking sector improved banking sector profitability since 2005? ii. To what degree have the recapitalization reforms in the banking sector improved customer deposit since 2005? iii. How has the recapitalization reforms of the banking sector affected commercial banks lending to the public since 2005?

1.5 RESEARCH HYPOTHESES

Hypotheses are tentative statements about reality that is either to be accepted, or rejected on the basis of empirical evidence.

H_1: The 2005 Nigerian banking sector recapitalization reforms does not have a significant effect on the profitability of banks.

H_2: The 2005 Nigerian banking sector recapitalization reforms does not have a significant effect on customer deposits.

H_3: The 2005 Nigerian banking sector recapitalization reforms does not have a significant effect on lending.

1.6 SIGNIFICANCE OF THE STUDY

The significance of the study in this era of increased globalization is of immense importance to academics, investment bankers, economists, and banking sector regulators. The emphasis being to minimize risk and maximize profit to foster banking growth.

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

1.7 SCOPE OF THE STUDY

The study covers the period of eleven years (2005 -5015) using the annual reports of the four banks under study.

2.0 LITERATURE REVIEW

It is common to find banks holding capital in excess of the minimum legal requirements especially when the capital adequacy volatile or less predictable at best. The Central Bank of Nigeria considers it a serious breach when banks fall below the minimum standards of capital adequacy and can withdraw banking licenses where applicable. However, when deposits mobilized are not sufficient measure of capital adequacy, banks can apply for increased equity beyond the minimum bench mark. This need for increased capital by banks is fundamentally essential to prevent erosion of the banks‟ capital base. Calem and Rob (1996) opined that to avoid regulatory costs caused by poor capitalization, the affected bank would be motivated to reduce risk by boosting capital, this is what they termed "buffer theory". Banking operations suffer from risks posed by capital adequacy, however when bankruptcy is inevitable, the risks are borne by the banks‟ shareholders, depositors and the Nigerian Deposit Insurance Corporation (NDIC). Peltzman (1970) in supporting the "portfolio theory" stated that supervisory agencies takes measures to compel changes in banks‟ balance sheet if the banks‟ asset portfolio is adjudged as too risky or capital inadequate. Nyong (2001) citing Williamson (1963) in support of the "expense theory" otherwise called the "theory of managerial discretion" insists that managers have the option of pursuing policies which maximize their own utility rather than profit maximization for shareholders.

Nwankwo (1991) opined that bank capital in addition to being funds attributed to as equity by the promoters also exist to act as a cushion losses not covered by current earnings and of course to protect depositors and other creditors from losses in case of liquidation. There is no unanimous agreement among scholars as to what constitutes adequate capital. The monetary authorities of different countries have different opinions as to what constitutes capital adequacy. But by definition scholars are unanimous in agreement that capital adequacy is the amount of capital that can effectively discharge the primary capital function of preventing bank failure by absorbing losses. In course of their operations banks undertake risky lending losses can be incurred which can erode a bank‟s capital if the amount is insufficient to cushion the effect of losses.

The size and complexity of the economy where the bank operates and the extent of exposure to foreign markets and foreign investors can also affect the performance of banks. A bank in a country with good economic fundamentals is likely to outperform a bank in a market with poor regulations and even poorer practices of liquidity with a higher history of volatile markets. Harward and Upton (1991) in their study of business profits agree that even though profitability is an index for efficiency but is not synonymous with it. They were careful enough to point out that even though profitability is an important yardstick for assessing efficiency that the extent of profitability should not be seen as final proof of efficiency. Efficiency in the context of capital adequacy implies that a bank with the same capital as another having a lower loan loss ratio is most likely to be adjudged to be more efficient but not necessarily more profitable. Many students over the years have used the terms „Profit‟ and

Profitability‟ interchangeably. However, there is a difference between the two in real sense. Profit is an absolute term, whereas, the profitability is a relative concept. Even though they are closely, the terms are mutually interdependent, having distinct roles in business. Profit refers to the total income earned by the enterprise during the specified period of time, while profitability refers to the operating efficiency of the enterprise. It is the ability of the enterprise to make profit on sales. It is the ability of enterprise to get sufficient return on the capital and employees used in the business operation.

Goddard, Molyneux & Wilson (2004) held that capital adequacy as a determinant of profitability of banks revealed that a high capital adequacy ratio should signify a bank that is operating overcautiously and ignoring potentially profitable trading opportunities, which implies a negative relationship between equity to asset ratio and bank performance. Pasiouras & Kosmidou (2007) on the other hand, believed that banks with higher equity to asset ratio will normally have lower needs of external funding and therefore higher profitability. Yu Min-The (2006), went a step further by defining adequate capital for banks as the level at which the deposit insuring agency would breakeven in guaranteeing the deposits of individual banks with premium the banks pay. Various studies suggest that banks with higher levels of capital perform better than their undercapitalized peers. Staikouras and Wood (2003) claimed that there exists a positive link between a greater equity and profitability among EU banks. An option of theoretical framework was employed in his study for measuring fair capital adequacy holdings for a sample of depository institutions in Taiwan, during the period between, 1985-1992.Except for the 1989, most banks in their sample proved to be inadequately capitalized so that capital infusion is required. George and Dimitrios (2004) applied non-parametric analytic technique (data envelopment analysis, DEA) in measuring the performances of the Greek banking sector with respect to capital adequacy. He proved that data envelopment analysis can be used as either an alternative or complement to ratio analysis for the evaluation of an organization's performance with attention to macroeconomics indicators. Abreu and Mendes (2001) also trace a positive impact of equity level on profitability. Goddard et al. (2004) supports the prior finding of positive relationship between capital/asset ratio and bank‟s earnings. Again the direction of the relationship between bank capital and bank profitability cannot be unanimously predicted in advance.

Al Sabbagh (2004) defined capital adequacy as a measure of bank‟s risk exposure, he went further to categorize risk into credit risk, market risk, interest rate risk and exchange rate risk. This is why the Central Bank of Nigeria (CBN) like their contemporaries in other countries are concerned as to the measure of “safety and soundness” since the ability of banks‟ capital to cushion the effects of losses is largely dependent on the level of capital adequacy. Scholars such as Bessis (2002) agree that banks‟ capital should match their risks, he stated that the VaR concept of modeling risks in assessing capital requirements is the foundation of risk based capital. Portfolio diversification of banks assets establishes scenarios where a loss resulting from some transactions extends to the totality of the portfolio. Koehn and Santomero (1980) studied the effect of capital ratio regulation and its effects on portfolio of commercial banks by examining the portfolio reaction to capital requirements.

Yu Min-Teh (1996) defined adequate capital for banks as the level at which the deposit insuring agency would just breakeven in guaranteeing the deposits of individual banks with the premium the bank pays.

This was further supported by Dowd (1999) that established the capital adequacy of banks can be further strengthened by monetary authorities placing minimum capital requirements. Dowd (1999) also cautioned against the gap in information (asymmetry) between bank executives and depositor‟s which can lead to market failure. The possibility of market failure caused by information asymmetry is also supported by Nwezeaku and Okpara (2010) and Okpara (2016) that insists that there is a positive relationship between information and the value of a firm. Adegbite (2010) studied the effect of the inflation rate on bank capital, he maintained that macroeconomic stability is fundamentally essential to capital adequacy hence increased inflation can impair the robustness of capital.

RESEARCH METHODOLOGY

3.1 Research Design

The research adopts an ex-post facto research design. This investigates possible cause-and-effect relationship by observing an existing condition and trying to find out possible causes. Kim and Singal (1993) defined ex-pot facto research as a situation where the independent variable has already occurred and the researcher starts with the observation of s dependent variable. It posits a causal link between them.

3.2 Nature and Sources of Data

The data used for this research is secondary data got from the annual reports of four banks. The data is entirely appropriate and wholly adequate to draw conclusions and answer the question or solve the problem, it is cheaper to collect and is reliable as information needed to achieve the research objectives.

3.3 Model Development

In the process of developing of the model the first step is to identify the correlation model that allows the inclusion of the variables (both independent and dependent) and the coefficient weights. The two dimensions of the coefficients are direction and magnitude. The directions indicates whether variations in the dependent variable are caused by changes in the independent variable.

3.4 Model Specification

The model for this study was expressed in line with the hypotheses stated as follows

H_1: The 2005 Nigerian banking sector recapitalization reforms does not have a significant effect on the profitability of banks.

H_2: The 2005 Nigerian banking sector recapitalization reforms does not have a significant effect on customer deposits.

H_3: The 2005 Nigerian banking sector recapitalization reforms does not have a significant effect on lending.

Multicollinearity tests were also employed to check if there is a formal detenction – tolerance or variance inflation factor (VIF) for multicollinearity. A tolerance of less than 0.20 or 0.10 and a VIF of 5 or 10 and above indicates a multicollinearity problem.

In particular, we will consider the following assumptions.

- Linearity - the relationships between the predictors and the outcome variable should be linear

- Normality - the errors should be normally distributed - technically normality is necessary only for the t-tests to be valid, estimation of the coefficients only requires that the errors be identically and independently distributed
- Homogeneity of variance (homoscedasticity) - the error variance should be constant
- Independence - the errors associated with one observation are not correlated with the errors of any other observation
- Model specification - the model should be properly specified (including all relevant variables, and excluding irrelevant variables)

Additionally, there are issues that can arise during the analysis that, while strictly speaking are not assumptions of regression, are none the less, of great concern to regression analysts.

- Influence - individual observations that exert undue influence on the coefficients
- Collinearity - predictors that are highly collinear, i.e. linearly related, can cause problems in estimating the regression coefficients.

Many graphical methods and numerical tests have been developed over the years for regression diagnostics and SPSS makes many of these methods easy to access and use. In this chapter, we will explore these methods and show how to verify regression assumptions and detect potential problems using SPSS.

3.5 Model Assumption

The assumptions that were adopted for this research were based on the following assumptions

1. The parameters estimated have to be commensurate with the quantity of data. If the quantity of data is not appropriate then the analysis would be flawed with problems such as those associated with multicollinearity.
2. The model specifications are assumed to be error free having been used as a measure for quantifying data of a secondary nature in previous research of this nature.

3.6 Variables

The variables used in the models are the dependent and independent variables, the former representing the effects while the latter represents the causes. Since the models are statistical the research looked at the dependent variable studied to find out variations as the independent variable varies.

3.6.1 Dependent Variable

The study adopted the loans and advances, deposits and net profit of the selected banks for eleven years as the dependent variables for testing.

3.6.1 Independent Variable

The Independent variable adopted is the total capitalization of the selected banks for the same period. Since the study is on bank recapitalization as a result of the reforms, it is important to see its effects on the said dependent variables.

3.7 Model Justification

Guha Deb and Mukherjee (2008) posits that academic literature on the relationship between financial development and economic growth dates back to the early twentieth century. In this case the financial development clearly is represented by the policy on recapitalization which translates to the contribution

of banks towards economic growth through their deposits, net profits and credit creation abilities by loans and advances

3.8 Techniques of Analysis

The techniques of data analysis used included the use of regression analysis and correlation coefficient of determination using the SPSS statistical package.

4.0 Data Analysis and Discussion of Results

This represents the data for the banks before they are analyzed or decision rules made.

Table 4.1.1 ZENITH BANK PLC DATA

Year	Bank Capital	Net Profit	Total Deposits	Loans & Advances
2005	32,971,651,100.00	715,592,600.00	23,341,342,800.00	122,494,396,000.00
2006	60,850,517,500.00	1,148,880,000.00	39,286,369,900.00	199,707,860,000.00
2007	97,294,252,400.00	1,877,980,400.00	634,492,524,000.00	288,111,826,000.00
2008	1,787,831,698,000.00	5,199,223,900.00	1,185,892,673,000.00	445,837,390,000.00
2009	165,970,300,000.00	20,603,000,000.00	1,173,917,000,000.00	698,326,000,000.00
2010	189,502,700,000.00	37,414,000,000.00	1,318,072,000,000.00	713,285,000,000.00
2011	2,309,427,000,000.00	44,189,000,000.00	1,653,570,000,000.00	832,828,000,000.00
2012	2,604,504,000,000.00	98,130,000,000.00	1,929,244,000,000.00	989,814,000,000.00
2013	3,143,133,000,000.00	91,588,000,000.00	2,276,755,000,000.00	1,251,355,000,000.00
2014	3,755,264,000,000.00	99,455,000,000.00	2,527,311,000,000.00	1,729,507,000,000.00
2015	4,006,842,000,000.00	105,663,000,000.00	2,557,884,000,000.00	1,989,313,000,000.00

Source: Zenith bank annual reports (2005 -2015)

Table 4.1.2 ACCESS BANK PLC DATA

Year	Bank Capital	Net Profit	Total Deposits	Loans & Advances
2005	31,342,000,000.00	637,000,000.00	22,724,000,000.00	11,462,000,000.00
2006	66,918,000,000.00	502,000,000.00	32,608,000,000.00	16,183,000,000.00

2007	174,554,000,000.00	737,000,000.00	110,879,000,000.00	54,111,000,000.00
2008	328,615,000,000.00	6,083,000,000.00	205,235,000,000.00	107,751,000,000.00
2009	1,033,945,000,000.00	15,853,000,000.00	353,746,000,000.00	245,836,000,000.00
2010	710,326,000,000.00	20,814,000,000.00	430,097,000,000.00	418,194,000,000.00
2011	804,824,000,000.00	11,068,000,000.00	486,926,000,000.00	429,782,000,000.00
2012	1,634,747,000,000.00	16,708,000,000.00	1,102,328,000,000.00	1,102,328,000,000.00
2013	1,745,177,000,000.00	42,862,000,000.00	2,253,119,000,000.00	2,253,119,000,000.00
2014	1,835,466,000,000.00	37,498,000,000.00	1,403,567,000,000.00	1,403,567,000,000.00
2015	2,591,330,000,000.00	65,869,000,000.00	1,756,159,000,000.00	1,756,159,000,000.00

Source: Access bank annual reports (2005 -2015)

Table 4.1.3 FIRST BANK PLC DATA

Year	Bank Capital	Net Profit	Total Deposits	Loans & Advances
2005	470,839,000,000.00	13,234,000,000.00	332,196,000,000.00	123,739,000,000.00
2006	616,824,000,000.00	17,383,000,000.00	448,915,000,000.00	177,303,000,000.00
2007	911,427,000,000.00	20,636,000,000.00	599,689,000,000.00	217,995,000,000.00
2008	1,528,234,000,000.00	36,679,000,000.00	700,182,000,000.00	466,096,000,000.00
2009	2,009,914,000,000.00	12,569,000,000.00	1,194,456,000,000.00	740,397,000,000.00
2010	2,354,831,000,000.00	29,177,000,000.00	1,447,600,000,000.00	1,072,640,000,000.00
2011	2,860,169,000,000.00	18,636,000,000.00	1,951,321,000,000.00	1,252,462,000,000.00
2012	3,186,128,000,000.00	75,670,000,000.00	2,400,860,000,000.00	1,541,687,000,000.00
2013	3,869,001,000,000.00	70,631,000,000.00	2,929,081,000,000.00	1,769,130,000,000.00
2014	4,343,737,000,000.00	84,148,000,000.00	3,050,853,000,000.00	2,178,986,000,000.00

2015	4,166,189,000,000.00	15,406,000,000.00	2,970,922,000,000.00	1,817,271,000,000.00

Source: Access bank annual reports (2005 -2015)

Table 4.1.4 GTB BANK PLC DATA

Year	Bank Capital	Net Profit	Total Deposits	Loans & Advances
2005	185,151,243,000.00	5,433,748,000.00	97,444,855,000.00	65,515,276,000.00
2006	308,410,742,000.00	8,306,778,000.00	215,773,715,000.00	84,200,695,000.00
2007	486,491,079,000.00	13,193,759,000.00	294,545,903,000.00	115,746,009,000.00
2008	963,118,828,000.00	29,913,704,000.00	532,239,165,000.00	421,807,522,000.00
2009	1,066,503,718,000.00	23,686,843,000.00	698,062,607,000.00	788,818,275,000.00
2010	1,152,001,900,000.00	38,346,623,000.00	779,138,714,000.00	843,743,330,000.00
2011	1,608,652,646,000.00	51,741,620,000.00	1,063,348,448,000.00	707,051,749,000.00
2012	1,734,877,860,000.00	87,295,957,000.00	1,172,057,424,000.00	783,914,842,000.00
2013	2,102,846,415,000.00	90,023,977,000.00	1,442,701,997,000.00	1,007,967,114,000.00
2014	2,355,876,526,000.00	98,694,919,000.00	1,649,869,816,000.00	1,281,376,727,000.00
2015	2,524,593,709,000.00	99,436,881,000.00	1,636,606,528,000.00	1,372,030,698,000.00

Source: GTB annual reports (2005 -2015*)*

4.3 Test of Hypotheses

Regression

GTB Table 4.3.1 Notes

Output Created		21-SEP-2016 21:09:25
Comments		
Input	Data	C:\Users\GODSWILL\Documents\Dr John Data for GT Bank.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>

	Split File	<none>
	N of Rows in Working Data File	11
	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.
Missing Value Handling		
Syntax		REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS CI(95) R ANOVA COLLIN TOL /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT BC /METHOD=ENTER NP TD LA /RESIDUALS DURBIN.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.03
	Memory Required	1956 bytes
	Additional Memory Required for Residual Plots	0 bytes

[DataSet1] C:\Users\GODSWILL\Documents\Dr John Data for GT Bank.sav

Table 4.3.2 Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Loan and Advances, Net Profit, Total Deposits[b]	.	Enter

A Dependent Variable: Bank Capital

B All requested variables entered.

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

Table 4.3.3 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.997[a]	.994	.991	77521660167.73584	2.080

A Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits
B Dependent Variable: Bank Capital

Table 4.3.4 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6576000908293097000000000.000	3	2192000302764365500000000.000	364.749	.000[b]
	Residual	420672545661334600000000.000	7	60096077951619230000000.000		
	Total	6618068162859230000000000.000	10			

A Dependent Variable: Bank Capital
B Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

Table 4.3.5 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	65755137434.902	50750941714.326		1.296	.236	-542517701363.966	185762045003.770		
	Net Profit	.703	3.429	.032	.205	.843	-7.406	8.812	.036	27.634
	Total Deposits	1.322	.347	.913	3.805	.007	.500	2.143	.016	63.460

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

Loan and Advances	.096	.213	.054	.449	.667	-.409	.601	.062	16.037

A. Dependent Variable: Bank Capital

Table 4.3.6 Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Net Profit	Total Deposits	Loan and Advances
1	1	3.726	1.000	.01	.00	.00	.00
	2	.237	3.968	.69	.01	.00	.00
	3	.035	10.390	.04	.15	.00	.31
	4	.003	35.461	.26	.84	1.00	.69

B Dependent Variable: Bank Capital

Table 4.3.7 Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	204656361472.0000	2438739001344.0000	1317138606000.0000	810925453312.02300	11
Residual	-82862407680.00000	132395163648.00000	.00004	64859274252.90431	11
Std. Predicted Value	-1.372	1.383	.000	1.000	11
Std. Residual	-1.069	1.708	.000	.837	11

A Dependent Variable: Bank Capital

FIRST BANK

Table 4.3.8 Notes

Output Created		21-SEP-2016 21:12:21
Comments		
Input	Data	C:\Users\GODSWILL\Documents\Dr John Data for First Bank.sav
	Active Dataset	DataSet2
	Filter	<none>
	Weight	<none>

	Split File	<none>
	N of Rows in Working Data File	11
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.
Syntax		REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS R ANOVA /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT BC /METHOD=ENTER NP TD LA.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.03
	Memory Required	1948 bytes
	Additional Memory Required for Residual Plots	0 bytes

[DataSet2] C:\Users\GODSWILL\Documents\Dr John Data for First Bank.sav

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

Table 4.3.9 Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Loan and Advances, Net Profit, Total Deposits[b]	.	Enter

A Dependent Variable: Bank Capital
B All requested variables entered.

Table 4.3.10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.995[a]	.990	.986	167762403122.95960

a Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

Table 4.3.11 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1971903403356851000000000.000	3	6573011344522835000000000.000	233.547	.000[b]
	Residual	19700956731113285000000000.000	7	28144223901590405000000.000		
	Total	19916043600879640000000000.000	10			

A Dependent Variable: Bank Capital
B Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

Table 4.3.12 Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

1	(Constant)	407323184670.037	1106175580 12.233		3.682	.008	145754224342.340	6688921449 97.735		
	Net Profit	-4.046	2.689	-.079	-1.504	.176	-10.406	2.314	.518	1.931
	Total Deposits	.388	.345	.294	1.125	.298	-.427	1.202	.021	48.209
	Loan and Advances	1.448	.519	.755	2.788	.027	.220	2.676	.019	51.832

a. Dependent Variable: Bank Capital

Table 4.3.13 Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Net Profit	Total Deposits	Loan and Advances
1	1	3.633	1.000	.01	.01	.00	.00
	2	.219	4.070	.73	.05	.00	.00
	3	.145	5.002	.00	.86	.01	.01
	4	.003	34.917	.25	.08	.99	.99

a. Dependent Variable: Bank Capital

Table 4.3.14 Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	661684551680.0000	4404328529920.0000	2392481181818.1816	1404244780427.13380	11
Residual	-190845583360.00000	323066265600.00000	.00016	140360096648.27527	11
Std. Predicted					11

Value	-1.233	1.433	.000	1.000	
Std. Residual	-1.138	1.926	.000	.837	

. A Dependent Variable: Bank Capital

ZENITH BANK

Table 4.3.15 **Notes**

Output Created		21-SEP-2016 21:14:23
Comments		
Input	Data	C:\Users\GODSWILL\Documents\Dr John Data for Zenith Bank.sav
	Active Dataset	DataSet3
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	11
	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.
Missing Value Handling		
Syntax		REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS CI(95) R ANOVA COLLIN TOL /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT BC /METHOD=ENTER NP TD LA

		/RESIDUALS DURBIN.
Resources	Processor Time Elapsed Time	00:00:00.03 00:00:00.03
	Memory Required	1956 bytes
	Additional Memory Required for Residual Plots	0 bytes

[DataSet3] C:\Users\GODSWILL\Documents\Dr John Data for Zenith Bank.sa

Table 4.3 16 Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Loan and Advances, Net Profit, Total Deposits[b]	.	Enter

A Dependent Variable: Bank Capital

B All requested variables entered.

Table 4.3.17 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.920[a]	.847	.781	747078649829.98720	2.162

A Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

B Dependent Variable: Bank Capital

Table 4.3.18 ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

1	Regression	215607879853647500000000000.000	3	718692932845491700000000000.000	12.877	.003[b]
	Residual	39068855632225756000000000.000	7	55812650903179654000000000.000		
	Total	254676735485873260000000000.000	10			

A Dependent Variable: Bank Capital

B Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

Table 4.3.19 **Coefficients[a]**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	-402471273941.969	490661921297.776		-.820	.439	-1562702352375.800	757759804491.862		
Net Profit	9.146	15.146	.254	.604	.565	-26.670	44.962	.124	8.060
1 Total Deposits	.804	.843	.455	.954	.372	-1.189	2.796	.096	10.381
Loan and Advances	.609	1.244	.233	.490	.639	-2.332	3.551	.097	10.327

A Dependent Variable: Bank Capital

Table 4.3.21 **Residuals Statistics[a]**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-302551302144.0000	383139289497 6.0000	165032646536 3.6365	146835921985 6.12040	11

Residual	-1244001337344.00000	918107586560.00000	.00011	625050842989.79820	11
Std. Predicted Value	-1.330	1.485	.000	1.000	11
Std. Residual	-1.665	1.229	.000	.837	11

B Dependent Variable: Bank Capital

ACCESS BANK

Table 4.3.22 **Notes**

Output Created		21-SEP-2016 21:15:37
Comments		
Input	Data	C:\Users\GODSWILL\Documents\Dr John Data for Acess Bank.sav
	Active Dataset	DataSet4
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	11
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.

Syntax		REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS CI(95) R ANOVA COLLIN TOL /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT BC /METHOD=ENTER NP TD LA /RESIDUALS DURBIN.
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.03
	Memory Required	1956 bytes
	Additional Memory Required for Residual Plots	0 bytes

[DataSet4] C:\Users\GODSWILL\Documents\Dr John Data for Acess Bank.sav

Table 4.3.23 Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Loan and Advances, Net Profit, Total Deposits[b]	.	Enter

A Dependent Variable: Bank Capital

B All requested variables entered.

Table 4.3.24 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.948[a]	.899	.855	323870739746 .32460	2.767

A Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

B Dependent Variable: Bank Capital

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

Table 4.3.25 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	651833135736808900000000.000	3	217277711912269630000000.000	20.714	.001[b]
	Residual	73424579244682050000000.000	7	10489225606383150000000.000		
	Total	72525771498149090000000.000	10			

A Dependent Variable: Bank Capital

B Predictors: (Constant), Loan and Advances, Net Profit, Total Deposits

Table 4.3.26 Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	134878133264.526	213086873125.311		.633	.547	-368992254623.659	638748521152.711		
Net Profit	25.753	10.690	.631	2.409	.047	.475	51.031	.210	4.751
1Total Deposits	1.724	3.112	1.555	.554	.597	-5.634	9.083	.002	544.656
Loan and Advances	-1.311	3.000	-1.217	-.437	.675	-8.405	5.783	.002	536.437

A Dependent Variable: Bank Capital

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

Table 4.3.27 Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Net Profit	Total Deposits	Loan and Advances
1	1	3.510	1.000	.01	.01	.00	.00
	2	.414	2.911	.41	.01	.00	.00
	3	.075	6.842	.01	.97	.00	.00
	4	.000	86.107	.57	.01	1.00	1.00

A Dependent Variable: Bank Capital

Table 4.3.28 Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	175441117184.0000	255729179033 6.0000	996113090909.0911	807361836933.60750	11
Residual	-425094119424.00000	613821579264.00000	-.00021	270969701709.77060 1.000	11
Std. Predicted Value	-1.016	1.934	.000		11
Std. Residual	-1.313	1.895	.000	.837	11

A Dependent Variable: Bank Capital

4.4 DISCUSSION OF FINDINGS

In the variables entered tables *4.3.2, 4.3.9, 4.3.16* and *4.3.23* they show the description of the independent variables and the dependent variable that were used to run the tests. In tables *4.3.3, 4.3.10, 4.3.17* and *4.3.2 4* the model summary indicating the coefficient of determination R^2 and the Adjusted R^2 and estimated standard error. The R^2 and the Adjusted R^2 measures the proportion of the total variability in the dependent variable that is explained by the independent variable. If there were a large discrepancy between the R^2 and the Adjusted R^2 it would suggest that some of the independent variables included in the regression is redundant. But tables shows no significant margin between the R^2 and the Adjusted R^2 .However the tables respectively have their R^2 and the Adjusted R^2 as *99.4%, 99.5%, 92%* and *94%* and *99.1%, 99%, 84.7%* and *89.9%* for *GTB, First Bank, Zenith Bank* and *Access bank*. It also means that addition of more independent variables to the equation would not have a significant effect in the margin between the R^2 and the adjusted R^2.

Klover International Journal Economics and Business Administration
Volume 13 Issue 2, April-June 2025
ISSN:2995-4258
Impact Factor: 11.08
https://kloverjournals.org/journals/index.php/eba

The essence of the Analysis of Variance (ANOVA) is the F test and complemented with significance or probability value. The sum of squares is derived by calculating the mean of the dependent variable which is then squared and summed up (total sum of squares). The mean square is the sum of squares divided by the degree of freedom. The degree of freedom is built upon the regressors being the number of samples (sample size) less the number of regressors. So the larger the sample size the larger the degree of freedom.

The regression sum of square is the estimate value minus the mean. Residual sum of squares is the difference between actual and estimated sum of squares. The Significance figure (or probability figure) and the F – test all prove the null hypothesis is rejected and the model is well fitted.

The variance inflation factor (VIF) measures the severity of multicollinearity in the regression. In other words it is supposed to find out how much variance (the square of the estimate‟s standard deviation) of an estimated regression coefficient is increased because of collinearity. The VIF is product of tolerance figures divided by 1.

In the tables *4.3.5, 4.3.12, 4.3.19* and *4.3.26* the tolerance level for the three variables are high and since the VIF is less than some benchmarks like 3, 5 and 10 (depending on the strength of the model) it shows that the incidence of collinearity or multicollinearity is very low and not significant enough to affect the reliability of the methodology used nor invalidate the results obtained. A tolerance of less than 0.20 or 0.10 and a VIF of 5 or 10 and above indicates a multicollinearity problem which is not the case here.

5.0 SUMMARY OF FINDINGS

The findings show that the reforms of the banking sector increased the capital base of the four banks and their performance over the years. The findings revealed that there is a positive relationship between banking sector reforms proxied by bank capital and profitability, bank deposits and bank lending. This indicates that much benefits have been derived from the banking reforms of 2005. Furthermore, the coefficient of determination revealed that the entire independent variable explained the variation in the dependent variable and they are statistically significant. This means that financial reform has significant positive effect on banking performance.

5.1 CONCLUSION

There is indeed a positive relationship between banking sector reforms regarding recapitalization and the level of profits, deposits and lending rates. Furthermore these banks under study; Access bank, GTB, First Bank and Zenith Bank. The four banks are among the most capitalized banks with wide network of branches and are the leading banks in the equities market of the Nigerian Stock Exchange hence are considered representative enough in measuring the impact of banking performance on the indices of profit, lending and deposits. However, the success of financial reform on economic growth depends on the level of financial development achieved in such an economy by the banks, especially the ones considered too big to fail.

5.3 RECOMMENDATIONS

Some countries succeeded in their liberalization via economic growth policies, results were different for other economies as a result of various crises rocking the financial system. There are various macroeconomic and institutional problems facing the Nigerian economy, which include inappropriate

macroeconomic policies, inadequate policy coordination, social -political instability, high cost of doing business and multiple taxes and levies etc. All these factors prevail in the Nigerian financial sector and make the risk of investing in Nigeria high. This discourages the penetration of foreign direct investment into the Nigerian economy and discourages other capital flows. However, for Nigeria to benefit from the current wave of globalization especially in the area of banking operations, its financial services must go beyond liberalization. Government need to maintain a stable macroeconomic policy especially in the area of stable inflation, realizable exchange rate policies and fiscal balance. Finally, the country need to be more involved in international services such as shipping, Insurance, Banking, etc. Nigeria still needs to create and secure economic environment without which domestic and foreign investors will continue to shy from the many profitable business opportunities the country offers. It is highly noted to this end that the importance of the financial reform in our economy cannot be overemphasized. Hence, if our vision is to ensure a sound and reliable banking structure for the 21st century, now is the time to plan for the required, dynamic, qualified and competitive banking system. The reform programme will also redefine the nature of competition in the banking industry such that each institution will have no choice but to assign priority to its capacity to deliver superior value to its clients. Hence, there is the need for more reform in the banking sector, such that the interest rate and inflation rate can be reduced to a digit and exchange rate can be reduced, controlled and managed. Also, there is need for institutions and political economy to remain stable, so that business environment can attract investors, by way of promoting capital flow into the economy

REFERENCES

Abba Gabriel Ogere, Zachariah Peter & E.E Inyang (2013). Capital Adequacy Ratio and Banking Risks in the Nigeria Money Deposit Banks, *Research Journal of Finance and*

Accounting, ISSN 2222-1697 (paper), ISSN 2222-2847 (Online), Vol.4, No.17, 2013

Abdullahi, I.B (2015). Banking Sector Reforms and Bank Consolidation in Nigeria: Challenges and Prospects.*Business Journal of Management and Social Sciences 6(1), 116-125*.

Adegbite, E.O. (2010). The Nigerian Financial System: Emerging Issues and Global Relevance. Department of Finance, University of Lagos.

Ajayi, M. (2013). Banking Sector Reforms and Bank Consolidation. Conceptual Framework: *CBN Bullion 29* (2), 2-10.

Al-Sabbagh, N.M. (2004). Determinants of Capital Adequacy Ratio in Jordanian Banks. M.Sc.thesis, Yarmouk University, Jordan.

Bessis, J. (2002). Risk Management in Banking. John Wiley & Sons Ltd, England.

Berger Allen N. & Bouwman (2013) How does capital affect bank performance during financial crises? Journal of Financial Economics 109 (2013) 146 -176, www.elsevier.com/locate/jfec

Calomiris, C.W. and Kahn C.M., 1991. The Role of Demandable Debt in Structuring Optimal Banking Arrangements, American Economic Review, 81, p.497-513.

Haward, P. and Upton, A. (1991). Introduction to Business Finance. New York, Mc Graw Hill.

Imala, O.I (2015). Challenges of Banking Sector Reforms and Bank Consolidation in Nigeria. *CBN Bullion 29 (2),* 25-36

Ikpefan Ochei .A (2013) Capital adequacy, management and performance in the Nigerian commercial bank, African Journal of Business Management, Vol 7 (30), pp. 2938-2950, 14 August, 2013, DOI:10.5897/AJBM09.258, ISSN 1993-8233© 2013 Academic Journals, http://www.academicjournals.org/AJBM

Jiménez, G., Ongena, S., Peydró, J. L., and Saurina Salas, J. (2012). Credit supply: identifying balance-sheet channels with loan applications and granted loans. *American Economic*

Review, 102(5), 2301–2326.

Koehn, M. & Santomero, M.A. (1980). Regulation of Bank Capital and Portfolio Risk.*The Journal of Finance*. 35(5).

Nwankwo, G.O. (1991) Bank Management, Principles and Practice, Malthouse Press Ltd. Lagos

Nwezeaku N.C and Okpara G.C (2010) Stock Market Volatility and Information Asymmetry:Lesson from Nigeria. *International Journal of Contemporary Research in Business* 2 (1): 67-79

Nyong OM (2001) Monetary Policy and Commercial Banks in Nigeria: Some Theoretical and

Empirical Extensions, CBN Econ. Financ. Rev. 34(3): 777-795

Odufu, I. I. (2013). "Challenges of Banking Sector Reforms and Bank Consolidation in Nigeria" in *Banking Sector Reforms and Bank Consolidation in Nigeria* (Publication of Central Bank of Nigeria) 29 (2).

Ofanson, E. J., Aigbokhaerbolo, O. M & Enabulu, G. O (2010). The Financial System in Nigeria: An Overview of Banking Sector Reforms. *Ambrose Ali University Journal of Management Sciences 1(1), 1-17.*

Okafor, E.E. (2013). Reforms in the Nigerian banking Sector and Strategies for Managing Human Resource Challenges, European Journal of Business and Management, 5 (18): 127-137.

Okpara G.C (2016). Speculative Financial Bubbles, Volatility and the Nigerian Economy. 22nd Inaugural Lecture, Abia State University, Uturu, p15- 17.

Peltzman S (1970). Capital Investment in Commercial Banking and its Relationship to Portfolio Regulation, J. Finance 78(1): 1-26

Sanusi, S. L (2011). "Banks in Nigeria and National Economic Development: A Critical

Review" Being a Keynote Address at the Seminar on "Becoming An Economic Driver while Applying Banking Regulations" organised by the Canadian High Commission in joint collaboration with the Chartered Institute of Bankers of Nigeria (CIBN) and Royal Bank of Canada (RBC) on March 7. Research Department, Abuja, CBN.

Sanusi, S. L (2012). "Banking Reform and its Impact on the Nigerian Economy". Being a Lecture delivered at the University of Warwick‟s Economic Summit, UK, 17th February. Research Department, Abuja, CBN.

Soludo, C. C. (2004). Consolidating the Nigerian Banking Industry to meet the Development Challenges of the 21st Century: Address at the Special Meeting of the Bankers‟ Committee, Abuja. July 6.