Bullion

Volume 34 | Number 3 Article 6

9-2010

The Nigerian financial crisis: Lessons, prospects and way forward

Charles N. O. Mordi
Central Bank Nigeria

THE NIGERIAN FINACIAL CRISIS: LESSONS, PROSPECTS AND WAY FORWARD[6]

BY
CHARLES N.O. MORDI
DIRECTOR OF RESEARCH
CENTRAL BANK OF NIGERIA

Charles N. O. Mordi

1.0 Introduction

In the last few decades, the financial services industry around the world has witnessed remarkable changes, driven largely by deregulation and liberalization, increasing wave of globalization and advances in information and communications technology, resulting in rapid financial sector development. The development played an important role in stimulating financial innovations; integration of financial markets and greater competition among financial institutions. In particular, banking services have greatly improved with the use of computers, telecommunications and satellite technologies, and have opened new avenues for greater financial intermediation.

The structural changes in financial markets have equally exposed them to various risks and posed several challenges for the supervisory authorities and policymakers in the design and implementation of monetary and financial policies. A financial system that is in crisis cannot effectively carry out its intermediation role as new lending comes to a halt, a situation known as a credit crunch. There are two major precursors of financial crises namely: low capital adequacy ratios of banks and shortfall of liquidity. In the first case, prudential rules set out the risks that banks can take in relation to their capital requirements. During economic and financial downturns, losses may appear that reduce banks' capital; this effect may be amplified by the accounting rules that require certain assets to be marked to market. In parallel, the risks, often measured on the basis of the credit agencies' ratings that are regularly downgraded during crises, increase and result in higher capital requirements. The shortfall of liquidity results when markets no longer function correctly and banks are not sure that they can obtain financing, they stop lending. These two conditions could be present and be mutually reinforcing. The build-up of non-performing loans in some institutions casts doubt on their solvency. This may lead to bank failures and can have systemic consequences which ultimately affects the financing of the economy negatively.

In Nigeria, the banking sector had evolved in five stages. The first stage was the pre-existence of the Central Bank of Nigeria (1930-59), during which several poorly-capitalized and unsupervised indigenous financial institutions, including banks failed in their infancy. The second stage was the control regime (1960-1985), during which the Central Bank of Nigeria ensured that only "fit and proper" persons were granted banking license, subject to the prescribed minimum paid-up capital and in line with the provisions of the Banking Act. The third stage was the post Structural Adjustment Programme (SAP) or de-control regime (1986-2004), during which the neo-liberal philosophy of 'free entry' was over-stretched. The fourth stage was the era of banking consolidation (2004 – early 2009), with major emphasis on recapitalization. The fifth stage is the post-consolidation era of reforms hinged on proactive risk management and corporate governance best practices. There have also been episodes of banking sector distress in Nigeria.

The objective of this paper is to x-ray the recent banking sector crisis in Nigeria, its resolution, lessons learned and way forward.

The paper is divided into six main sections. Following this introduction, section 2 highlights country experiences of banking crisis and resolution options, while section 3 gives an overview of financial crisis in Nigeria. section 4 discusses the recent financial crises in Nigeria (2000 2009), while section 5 presents the 2009 banking crises and its causes. The most recent reform measures are discussed in section 6. In sections 7 and 8, the lessons of experience and the way forward are presented, while the concluding remarks are made in section 9.

2.0 Jurisdictional Experiences of Banking Crisis and Resolution Options

2.1 The Asia financial crises

Financial crisis is not new. The global economy has battled with different financial crises at different times. The Asian crises, which started in 1997, spilled to Brazil a year later, and between 1998 and 1999, engulfed the entire South American continent, causing enormous economic costs in terms of employment and growth social, closure of corporations and the destruction of the banking institutions. The Asian crises, are however, unique coming from the hills of an extraordinary economic growth path, which had been termed a "miracle" by the World Bank. But, it became apparent that such economic growth was not accompanied by a

The views expressed in the paper are those of the author and do not in any way represent the official position or thinking of the Central Bank of Nigeria. The author acknowledges the comments and criticisms of anonymous reviewer corresponding growth in factor productivity, while the absence of developed financial sector mechanism to allocate capital efficiently in affected economies meant that phenomenal growth rates would not be sustainable.

The Asian **Financial Crisis** began in July 1997 in Thailand following the collapse of the country's currency, the Thai baht, along with others in the region-, Malaysian *ringgit*, Pilipino *peso*, and Indonesian *rupiah*-as a result of governments' decision to float them, by cutting their peg to the United States Dollar in the face of severe debt problems. Prior to this period, Asian economies had attracted substantial inflow of foreign capital as a result of the sustained policy of high rates that was meant to attract foreign investments. However, domestic financial institutions were not well prepared to allocate an increased inflow of foreign capital.

Consequently, large inflow went to wrong hands and caused a dramatic run-up in asset prices to an unsustainable level. The eventual collapse of asset prices caused default on debt obligations, while the resulting panic among lenders led to a large withdrawal of credit from the crisis countries, leading to a credit crunch and further bankruptcies. In the mid-1990s, Thailand, Indonesia and South Korea had large private current account deficits and the maintenance of fixed exchange rates encouraged external borrowing and led to excessive exposure to foreign exchange risk in both the financial and corporate sectors. At the same time, the U.S. economy recovered from a recession in the early 1990s, and a domestic policy to fight inflation through interest rate hike made the U.S. economy a more attractive investment destination relative to Southeast Asia. For the Southeast Asian nations which had currencies pegged to the U.S. dollar, the higher U.S. dollar caused their own exports to become more expensive and less competitive in the global markets. Thus, as foreign investors attempted to withdraw their money, the exchange market was flooded with the currencies of the crisis countries, putting pressure on their exchange rates that in turn caused the further depreciation of their currencies. Attempt to prevent currency values from collapse through high domestic interest rates policy in order to diminish flight of capital and foreign exchange market intervention became unsustainable; very high interest rates, which can be extremely damaging to an economy that is healthy, caused more problems to economies already fragile and the central banks were managing foreign reserves that were already limited. It soon became clear that the tide of capital fleeing these countries would not stop, forcing authorities to cease defending their fixed exchange rates, allowing them to float. The resulting depreciated value of those currencies meant that foreign currency-denominated liabilities grew substantially in domestic currency terms, causing more bankruptcies and further deepening of the crisis.

2.1.1 Resolution of the crises

Given that the countries affected by the melt down were among not only the richest in their region, but in the world, and since hundreds of billions of dollars were at stake, any response to the crisis had to be cooperative and international. The IMF took charge and created a series of bailouts ("rescue packages") for the most affected economies so as to help them to avoid default, tying the packages to reforms that were intended to restore Asian currency, and to make banking and financial systems as much like those of the United States and Europe as possible. In other words, the IMF's support was conditional on a series of drastic economic reforms influenced by neoliberal economic principles-the "structural adjustment package" (SAP). The SAPs called on crisis-struck nations to cut back on government spending to reduce deficits, allowing insolvent banks and financial institutions to fail, and aggressively raise interest rates. The reasoning was that these steps would restore confidence in the nations' fiscal solvency, penalize insolvent companies, and protect currency values. Above all, it was stipulated that IMF-funded capital had to be administered rationally in the future, with no favored parties receiving funds by preference. There were to be adequate government controls set up to supervise all financial activities, ones that were to be independent, in theory, of private interest. Insolvent institutions had to be closed, and insolvency itself had to be clearly defined. In short, exactly the same kinds of financial institutions found in the United States and Europe had to be created in Asia, as a condition for IMF support. In addition, financial systems had to become "transparent" that is; provide the kind of reliable financial information used in the West to make sound financial decisions.

However, the greatest criticism of the IMF's role in the crisis was targeted towards its response. As country after country fell into crisis, many local businesses and governments that had taken out loans in US dollars, which suddenly became much more expensive relative to the local currency that formed their earned income, found themselves unable to pay their creditors. The dynamics of the situation were closely similar to that of the Latin American debt crisis. The effects of the SAPs were mixed and their impact controversial. Critics, however, noted the contractionary nature of these policies, arguing that in a recession, the traditional Keynesian response was to increase government spending, prop up major companies, and lower interest rates.

The reasoning was that by stimulating the economy and staving off recession, governments could restore confidence while preventing economic loss. They pointed out that the U.S. government had pursued expansionary policies, such as lowering interest rates, increasing government spending, and cutting taxes, when the United States itself entered a recession in 2001, and arguably the same in the fiscal and monetary policies during the 20082009 Global Financial Crisis. Why similar measures were not implemented for the south East Asian countries is difficult to explain.

2.1.2 Lessons

One lesson from these crises is that countries with high reserves are better able to withstand financial crises caused by a sudden currency reversal. The issue of transparency is not new either; more information must be made available, and utilized properly. Another lesson taken from the crises has to do with the composition of capital flows and their duration; short-term investment is more likely to respond to a shock than those on a longer term. Furthermore, given that financial and economic crises are likely to hit countries at different regions at the same time, a greater role should be ascribed to governments in the domestic financial system.

While there is a temptation to conclude that IMF programs cause moral hazard, domestic practices are crucial. The financial and corporate sectors when poorly supervised can still constitute a problem even where domestic macroeconomic policy is credible.

2.2. Turkish banking crisis

Over the past 30 years, Turkey has been governed by 22 successive governments, and macroeconomic and political instability became a major feature of the country. Populist macroeconomic policies, moral hazard problems, huge public sector deficits, high real interest rates, overvalued Turkish *lira*, strong currency substitution, large current account deficits, volatile short-term international capital flows, extremely risk taking behavior of banks, volatile economic growth, and high and persistent inflation resulted in several successive crises in the real and financial sectors in Turkey.

The financial sector in Turkey is traditionally dominated by banking activities, and the banking sector experienced several systemic crises since late 1970s. In early 1980, in response to a strong balance-of-payments crisis accompanied by a deep recession and accelerated inflation, Turkey abandoned its inward-oriented development strategy and gradually started to introduce free-market based reforms. To liberalize the repressed domestic financial system, many restrictions on domestic and external financial intermediation processes were removed, or at least minimized, between 1980 and 1989.

The Turkish Banking Sector (TBS) went through major consolidation during 1999-2003 in the aftermath of a failed disinflation programme (December 1999February 2001), a devastating financial crisis and a renewed IMF programme that brought about the recovery. In early 2004, relative macroeconomic stability appeared to have been achieved, and having gone through the worst, the sector appeared set for the next phase of consolidation and growth. One broad conclusion that follows was that the sector had gone through much rehabilitation and recovery already, and painful as it was, the banking environment was then improved and had a first-class regulatory framework. Banks were very profitable in 2003, but this profitability was largely based on the large share of treasury-bill holdings in banks' portfolios and a spectacular, but arguably one-off rally in yields, while the contribution of true banking activities to profits remained low. The sector suffered from chronic macroeconomic instability, heavy taxation and a weak loan portfolio.

2.2.1. Recent banking Crisis in Turkey

Turkish's recent predicament was equally triggered by the US subprime crisis, which spread across the globe and large European banks. The toxic loans or assets affected the balance sheet of developing nations, including **Turkey.** Turkey weathered the financial crisis far better than many other countries, including a significant number of European Union member states. As a result, Turkey has become a more integrated and bigger player in the global economy, with a strong emerging economy making it one of only a few countries with post-crisis potential.

Turkey has learned from the financial catastrophes of the past and accustomed to financial crises and the recessions that usually follow them, with the recent global financial crisis being the fifth to hit the country in the last 30 years. However, Turkey was better prepared this time and managed to stay afloat as a result of its strong financial foundations, after making good progress in the financial sector in recent years with an increase of gross domestic product (GDP) from $230 billion in 2002 to $740 billion just before the crisis. Clearly the financial crisis rocked this growth, which led to a 4.7 percent decrease. But the last few quarters have shown a strong comeback, and Turkey is well on the road to recovery.

Unlike most other countries, Turkey had no need for bank bailouts; not one Turkish bank lost money, and during the course of 2009 the banking sector was back in the business of making good money with a return on equity of some 19 percent. That was impressive compared with the banking sectors of several EU member states. The reason why Turkish banks survived the storm was predominantly due to strict fiscal reforms that were carried out during the domestic financial crisis of 2000 - 2001.

Turkey's economic future also looks quite rosy and the country is emerging quite strongly from the crisis. Indeed, the International Monetary Fund predicts that Turkey's economy is set to grow by up to 11 percent.

Furthermore, another positive sign for Turkey's emerging economy is that GDP is ahead of target, which is also remarkable. In addition, in the first few months of 2010, the national deficit fell 40 percent for the year. This progress was possible because the government realized early on that the country was in economic shock and devised a game plan consisting of creating a gradual decline of deficit in GDP by 3 percent by 2012.

The lesson from above is the need for proactive strengthening of the banking system that could withstand shocks as intense as the recent global financial crisis.

3.0 Overview of Financial Crises in Nigeria

There have been various episodes of banking crisis in Nigeria. Since commercial banking business commenced in 1892, the Nigerian banking system has witnessed episodes of crisis. The first took place in late 1930s and early 1950s, mainly as a result of lack of regulation, inadequate capital, fraudulent practices and bad management (Okigbo 1981). Consequently, about 21 of the 25 indigenous banks which had been established by 1954 failed. The failures were resolved mainly through self-liquidation. The outcome was a bitter experience, especially for depositors who lost their money. However, the introduction of the Banking Ordinance of 1952, the establishment of the Central Bank of Nigeria (CBN) in 1959, and the promulgation of the banking Act of 1969, appeared to have brought in some sanity in the Nigeria banking system.

Systemic crisis re-surfaced in the Nigerian banking industry between 1989 and 1998, and pockets of the crisis syndrome have been experienced by some banks ever since. The crisis of 1989 was attributable to the withdrawal of public sector deposits from banks. This singular act exposed the weak financial condition of most financial institutions. The situation was, generally, the visible manifestation of a complex set of interrelated problems, including a weak policy environment (over-regulation), capital and management inadequacies, and economic downturn, the negative effects of deregulation, and political interference.

Most of Nigeria's state-owned banks became insolvent because they carried heavy bad debt and high overhead costs. Until the late 1980's, their financial fragility had been concealed by a combination of factors including public subsidy and an improper accounting system. Since that date, however, enforcement of stricter prudential standard and less accommodating stance toward liquidity support have exposed the weakness of bank's balance sheets. The deregulation of the banking system, especially with regard to interest rates, and relaxation of entry requirements in the mid-1980s facilitated a dramatic increase in the number of Nigeria commercial and merchant banks. It also exposed the banks to intense competition for which many of them were ill-prepared. Some of the banks attracted a significant market share through improved customer services at competitive prices. In contrast, many banks appeared to have been set up largely to take advantage of arbitrage opportunities in the foreign exchange market, rather than to undertake more conventional banking business. Furthermore, bad management and fraud, including insider lending, were endemic and led to widespread distress among them. In the late 1990s, over thirty-three banks were distressed in Nigeria and a number of them were handed to the NDIC for outright liquidation, while others were resolved through mergers and acquisition. One of the most recent episodes of crises in the banking sector was in 2009 when, eight banks out of the 24 banks in operation were in grave condition and the problem is still lingering till date.

A range of options are known to be available for resolving banking system crises in the literature. At one extreme, a bank can be kept open through an injection of capital. At the other extreme, a bank can be closed with its assets sold and depositors and possibly other creditors paid off. Between these extremes, a bank's licence may be removed but with the bank sold off to another bank, in full or part, to preserve the bank's activities. The extent of involvement of the authorities may also vary. It may be limited to encouraging or organising private sector support, or extended to official financial support, government takeover. When a bank is financially distressed there should be a preference, first, to encourage a private sector solution. If an unassisted private sector solution cannot be found, a decision would next be made about whether to liquidate the bank or provide some form of government assistance. In exceptional circumstances, if there were a systemic threat, governments might consider a takeover or guarantee to a failed bank, as an interim measure.

In Nigeria, so far, four broad types of resolution options have been used by the regulatory/supervisory authorities in resolving banking crisis. These are discussed as follows:

Outright Liquidation (deposit pay-out):
Under this option, the entire assets and liabilities of the affected bank are placed under the control of the liquidator (NDIC) who would arrange to physically close the bank. NDIC then verifies the assets and liabilities of the bank and exercises control over all its moveable assets. Under Nigeria's deposit insurance scheme, each customer's account is insured up to a maximum N200.0 (two hundred thousand naira). In 1998, 26 banks with 347 branches spread over 32 states and Abuja were closed down and put in liquidation under the NDIC. Some of them were Financial Merchant Bank (FMB), Kapital Merchant Bank (KMB), Alpha Merchant Bank (AMB), United Commercial Bank (UCB), Republic Bank (RBL), CCB, PBN, Mercantile Bank etc.

Purchase and Assumption (P&A) Model
The basic characteristics of this option is the purchase of the whole or part (cherry-picking) of the assets of a failed bank by a healthy (assuming) bank and the assumption of the deposit liabilities of the failed bank by the same bank. The P&A Option has featured prominently in the history of bank failure resolution in Nigeria. Following the conclusion of the bank consolidation exercise at end-December 2005, 13 banks that failed to make it were handed over to the NDIC for liquidation. The P&A model had since been adopted by the Corporation for their liquidation. As at end-December 2009, 11 out of the 13 affected banks had been assumed by some healthy banks. These include Allstate, Hallmark (assumed by Eco bank); trade, Metropolitan, City Express, African Express, Gulf, Liberty (assumed by UBA); Lead, Assurance (assumed by Afribank); and Eagle (assumed by Zenith). The cases of Triumph and Fortune International banks are still pending in the court.

CBN Bail-out Using Guarantees
This option was applied by the CBN during the late 1990s for some of the ailing banks. For instance, at the inauguration of one of the affected bank's new board and management, the CBN gave a commitment that it was fully behind the bank and would honour all cheques drawn on it. Further guarantees were given to other healthy banks, which enabled those banks to provide life-boat facilities to the affected banks. Unfortunately, this option did not stop the run on these banks.

CBN/NDIC Controlled Restructuring (Open bank assistance)
This option implies taking over the board and management of a bank by the CBN and NDIC in order to restructure the bank and run it profitably. This option is anchored on the hope that the cream of professionals selected jointly by the

CBN and NDIC would be able to turn the bank around within a short period of time and return the bank to the owners. This was variously used by the Bank in the late 1990s and recently when about eight (8) banks had problems. In most cases, this option worked out as some of the affected banks were resuscitated, while in other cases the resuscitation efforts proved abortive. In most of the failed cases, the banks had forwarded falsified financial reports to the regulatory authorities to cover up its fraudulent practices which were already beyond redemption.

4.0 The Recent Financial Sector Crises in Nigeria

The liberalization of the financial services sector in 1986 encouraged the establishment of many financial institutions, particularly banks. The reforms produced unintended outcomes including, inefficient, riskier and illiquid banks that generated lower return on assets relative to the pre-reform period (Sobodu and Akiode, 1994). The incidence of fraud and of non-performing loans also increased with the reforms as revealed by a CBN/NDIC study of Distress in the financial system. The quality of management, a major determinant of banks' long-term survival (Siems 1992; Pentalone and Platt 1987) and the dearth of qualified personnel to meet the challenges of sudden astronomical growth in the industry contributed to the poor health of the banking industry (Ikhide and Alawode 1994).

From the foregoing, it could be seen that the Nigerian banking system faced enormous challenges which needed to be addressed urgently to enable them perform their catalytic role of enhancing the growth process in the economy. Furthermore, a surveillance report by the CBN as at end-March 2004 indicated that 62 banks out of 89 were classified as sound/ satisfactory, 14 as marginal, while the position of unsound banks had deteriorated from 9 at end-December 2003 to 11. The report further indicated that 2 of the banks failed to render statutory returns during the period.

Furthermore, an assessment of the structure of the industry at end-December 2003, revealed that the industry was dominated by the top 20 30 banks, with 69 banks out of the 89 licensed banks operating as marginal players, while about 60 70 per cent of total deposits were short-term (30 90 days), which was why banks were not lending to the real sector. Other features of the industry included extension of barely 3 5 per cent of total banks' credit to agriculture and manufacturing sectors; and 89 banks in operation having a total assets of \$18.0 billion, compared with 58 banks in South Africa, with a total asset of \$146 billion. Also, over N373.1 billion was outside the banking system due to the failure of banks to mobilize savings by offering reasonable interest rate to small depositors. Savings deposit rate averaged 3 5 per cent; while lending rate averaged 21-32 per cent.

A number of the banks examined had revealed severe weaknesses, including weak corporate governance, evidenced by high turnover in the Board and management staff, inaccurate reporting and non-compliance with regulatory requirements, falling ethics and de-marketing of other banks in the industry; gross insider abuses, resulting in huge non-performing insider related credits. Other indicators were late or non-publication of annual accounts that obviates the impact of market discipline in ensuring banking soundness; insolvency, as evidenced by negative capital adequacy ratios and complete erosion of shareholders' funds by operating losses; over-dependence on public sector deposits, and neglect of small and medium class savers. Thus, the condition of the banking industry necessitated the articulation of a comprehensive reform agenda.

Consequently, the 2004 bank consolidation was focused on further liberalization of banking business; ensuring competition and safety of the system; and proactively positioning the industry to perform the role of intermediation and playing a catalytic role in economic development. The exercise led to the reduction of banks from 89 to 24 banks with a substantial increase in capital. Many banks raised significant capital following the consolidation exercise. Financial intermediation increased significantly. Bank branches grew from 2,900 in 2005 to almost 5,500 in mid-2009. Banks participated in a wider range of activities, including financing of infrastructure and the oil sector, which previously had been out of reach. Banks were under pressure to deploy and secure a return on their expanded capital. The central bank recognized the need for strengthened supervision and developed a plan for consolidated and risk-based supervision. But progress in implementation was slow.

5.0 The 2009 Banking Crises in Nigeria and its Causes

The advent of the global financial crisis, however, strained the consolidated gains made in the sector. The immediate impact of global financial turbulence on the banking system was, however, contained. While offshore funding of the domestic banking system was growing before the crisis, its scale was manageable and the central bank was able to accommodate commercial banks foreign exchange demand in the depth of the global crisis.

Subsequently, the industry experience in the face of the global meltdown was, however, consistent with global trends. The crises impacted the economy through various channels: - significant decline in oil revenue leading to revenue attrition for all tiers of government; reduced capital inflows in the economy; depletion of external/foreign reserves; demand pressure in the foreign exchange market; substantial decline in stock market capitalization and share prices; huge bank losses on margin loans and share-backed facilities; low valuation with many banks trading below book value; declining asset values; and declining credit growth-credit crunch and slowdown of output growth. A section of the banking industry was badly affected and liquidity problem was precipitated following its significant exposure to the capital market in form of margin trading loans. The industry's exposure to the capital market in the form of margin trading facilities granted to market operators/investors stood at about N900.0 billion as at end-December, 2008. The amount represented about 12.0 per cent of aggregate credit of the industry or 31.9 per cent of shareholders' funds.

Again, in the wake of the high oil prices, a section of the industry was badly exposed to the oil and gas sector. As at end-December, 2008, banks' total exposure to the oil industry stood at over N754.0 billion, representing over 10.0 per cent of the industry total and over 27.0 per cent of the shareholders' funds.

These excessive exposures resulted in the weaknesses (liquidity problems) exhibited by some of the banks towards the end of 2008. As part of its liquidity support, the CBN Discount Window was expanded (EDW) in October 2008 to accommodate money market instruments such as Bankers' Acceptances and Commercial Papers.

As at June 2009, the banks' total commitments under the EDW was over N2, 688.84 billion, while the outstanding commitments was over N256.0 billion, most of which was owed by less than half of the banks in operation. When the CBN closed down the EDW and, in its place, guaranteed inter-bank placements, it was observed that the same number of banks were the main net-takers under the guarantee arrangement, indicating that they had a deep-rooted liquidity problem. Domestic factors and the global crisis had triggered significant problems in the banking system. The financial stability framework needed to be strengthened.

Internally, the financial system was hit by Eight (8) main interdependent factors that led to the creation of an extremely fragile financial system.

Sudden capital inflows and Macro-economic instability

Volatility in monthly disbursement of oil revenues made it difficult for governments to manage economic development and caused tremendous instability as it rise to volatile liquidity regimes in the banking system. Simultaneously, the lack of an effective fiscal quarantining mechanism meant that the fiscal authorities would fail to prevent this excess liquidity from reaching the domestic banking system. Banking system liquidity closely mirrored international oil price volatility. As amounts held in Nigerian deposits increased, banks were able to increase their lending, facilitated more by the impact of the consolidation in the domestic banking sector that brought caused increased capital in the banks. Consequently, bank deposits and credit, tracking the price of oil, grew four-fold from 2004 to 2009 and banking assets grew on average at 76% per annum since consolidation.

Indeed, the economy was not able to absorb of the excess liquidity from oil revenues and foreign investments in productive sectors. This resulted in significant flows to non-priority sectors and to the capital markets, mostly in the form of margin loans and proprietary trading camouflaged as loans. As a result, market capitalization of the NSE increased 5.3 times between 2004 and its peak in 2007, and the market capitalization of bank stocks increased 9 times during the same period. This set the stage for a financial asset bubble particularly in bank stocks. The rapid rise in asset prices and the over concentration of bank shares in the stock market index were clear indications of a potential financial crisis. In 2007, the Nigerian Stock Exchange was "the best performing" bourse in the world even though there was no evidence to suggest a commensurate improvement in the fundamentals of real sector economy. CBN's macro-prudential management did not sufficiently address the impact of these oil-related inflows, and with the fiscal policy being pro-cyclical, this exacerbated the crisis.

Poor corporate governance at banks

Corporate governance in many banks failed because boards ignored significant unethical practices in banks as they were misled by executive management, and in some instances participated themselves in obtaining un-secured loans, as well as not having the qualifications to enforce good governance and process management on bank. In addition, the audit process at all banks appeared not to have taken fully into account the rapid deterioration of the economy and hence of the need for aggressive provisioning against risk assets. The bank chairman/CEO often had an overbearing influence on the board, and some boards lacked independence; directors often failed to make meaningful contributions to safeguard the growth and development of the bank and had weak ethical standards; the board committees were also often ineffective or dormant. CBN had published details of the extent of insider abuse in several of the banks.

Lack of investor and consumer sophistication

A lack of investor and consumer sophistication also contributed to the crisis by failing to impose market discipline and allowing banks to take advantage of consumers. Investors, many new to investing, were unaware of the risks they were taking and consumers were often subjected to poor service and sometimes hidden fees.

Nigeria does not have a tradition of consumer activism or investor protection and as a consequence many Nigerians made investments without a proper understanding of the risks. Limited consumer protection framework did exist in Nigeria. However, the framework was inadequate and as a result consumers' rights were not sufficiently protected.

Inadequate Disclosure and lack of transparency

Inadequate disclosure by the banks was another major contributing factor to the crisis. Bank reports to the CBN and investors often were inaccurate, incomplete and late, depriving the CBN of the right information to effectively supervise the industry and depriving investors of information required making informed investment decisions. In addition, banks made public information on their operations on a highly selective basis and investors were unable to make informed decisions on the quality of bank earnings, the strength of their balance sheets or the risks in their businesses. Without accurate information, investors made ill-advised decisions regarding bank stocks, enticed by speculative market bubble, which was partly fuelled by the banks through the practice of margin lending.

Moreover, some banks even engaged in manipulating their books by colluding with other banks to artificially enhance financial positions and therefore stock prices. Practices such as conversion of non-performing loans into commercial papers and bank acceptances and setting up off-balance sheet special purpose vehicles to hide losses were prevalent. Recently the CBN put an end to these practices and the collapse of the equity markets effectively put an end to stock price manipulation.

Critical gaps in regulatory framework and regulations

Lack of co-ordination among regulators was one reason the CBN did not have a comprehensive consolidated bank view of banks' activities. In addition, regulations on the major causes of the crisis were often incomplete. There is little co-ordination among the financial service regulators. In spite of the widespread knowledge of bank malpractice and propensity for regulatory arbitrage, the Financial Services Regulatory Coordinating Committee (FSRCC), the coordinating body for financial regulators did not meet for two years during this time. Whilst excess capital gave rise to strong growth in lending, banks were also allowed to use the capital to enter many other non-lending activities such as stock market investments, most of which were hived off to subsidiaries thus escaping supervisory scrutiny by the CBN. The CBN did not receive examination reports from the SEC covering bank subsidiaries, nor was there a framework for consolidated bank examination.

A comparison of Nigerian regulations with those of international regulators indicated the Nigerian set of regulations was not as comprehensive. An example was the lack of a legal and regulatory framework governing the margin lending activity.

Uneven supervision and enforcement

Uneven supervision and inadequate enforcement also played a significant role in exacerbating the problems associated with the crisis. Regulators were ineffective in foreseeing and supervising the massive changes in the industry or in eliminating the pervasive corporate governance failures.

The Supervision Department within the CBN was not structured to supervise effectively and to enforce regulation. No one was held accountable for addressing the key industry issues such as risk management, corporate governance, fraud, money laundering, cross-regulatory co-ordination, enforcement, legal prosecution or for ensuring examination policies and procedures were well adapted to the prevailing environment. Moreover, the geographic separation of on-site and off-site examiners hindered the building of integrated and effective supervisory teams. Critical processes, like enforcement, pre-examination planning and people development were not delivering the results required to effectively supervise and engage banks to enforce good conduct.

There were many instances of weaknesses in the supervision and enforcement process. For example, bank examinations were not conducted on a bank consolidated basis. Pre-examination planning did not question banks' use of the Expanded Discount Window nor did it include a review of prior SEC or NAICOM reports (if any) on bank subsidiaries. In addition, the CBN did not provide input to the SEC in planning its examinations of bank activities. Also, the ratings and depth of analysis wasn't sufficient to capture the issues. For example, CAMEL ratings did not differentiate the performance of successful and failed banks. While some examinations identified critical risk management issues, many issues that caused the crisis escaped examination, though they were well known in the industry. Sense of urgency was low with some examinations taking between 9 months to more than a year to complete Enforcement was the biggest failure among surveillance processes, despite the CBN having all the powers it needed to enforce examination recommendations. Financial penalties are inadequate to enforce bank compliance. By paying fines, banks effectively annulled key aspects of the examination reports. With examination cycles between 6 and 12 months, follow-up on examination recommendations rolled into the following year's examination.

There was insufficient discipline in holding the banks to clear remedial programmes. While banks responded to examination reports, they seldom committed to specific deliverables, timing or executive responsibility for implementation. Hence it was difficult to measure bank progress against compliance with some of the major recommendations. Banks' compliance record was poor. They frequently ignored the examiners recommendations in spite of the seriousness of the issues. The consequence to the banks of noncompliance was not sufficient to change behavior. Directors faced no personal consequences for non-compliance.

Weaknesses within the CBN

Governance and internal processes were unstructured and this compromised the CBN's ability to supervise the industry. Corporate governance at the CBN was laissez-faire and there were inadequate committee structures and processes to ensure the CBN Board's independence in assessing whether the CBN was fulfilling its mission.

The CBN was not organized to monitor adequately and analyze the macroeconomic issues and systemic risks inherent in the financial sector. There was no overarching architecture to manage the risks in the banking system, linking economic indicators to macro-prudential guidelines and to individual bank prudential guidelines. As a consequence, managing the risks in the banking system from the impact of oil price volatility, cross-border capital flows, asset price bubbles and weak corporate governance did not have the necessary urgency within the CBN itself. Management information to analyze the risks in the banking system was inefficient. There were also data quality issues, which negatively affected the CBN's internal reporting system.

Weaknesses in the business environment

A lack of a sufficiently developed infrastructure and business environment has had a negative influence on the banking industry. The legal process, an absence of reliable credit rating agencies and poor infrastructure all contributed to non-standard banking practices.

Nigeria's legal process is long and expensive and banks seldom pursue borrowers in court. Few banks were able to foreclose on borrowers, and this led to borrowers abusing the system. Basic lack of credit information on customers, largely because there is no uniform way to identify customers, has held back the development of credit bureaus and hampered customer credit assessment at banks, increasing the stock of bad debt in the system. These factors acting in concert brought the entire Nigerian financial system to the brink of collapse.

6.0 The Recent Reform Measures

The global financial crisis strained the progress made in the sector. The industry experience in the face of the global meltdown is, however, consistent with global trends. Specifically, a section of the banking industry was badly affected and liquidity problem was precipitated following its significant exposure to the capital market in form of margin trading loans. Again, in the wake of the high oil prices, a section of the industry was badly exposed to the oil and gas sector. These excessive exposures resulted in the weaknesses (liquidity problems) exhibited by some of the banks towards the end of 2008.

A joint special examination (CBN/NDIC) of 10 out of the 24 banks as at May 31, 2009 revealed that some of the banks exhibited the following symptoms:

- Substantial non-performing loan;
- Poor corporate governance (weaknesses in governance and management;)
- Weaknesses in capital adequacy; and
- illiquidity problem

It was against this background that the CBN moved decisively to strengthen the industry, protect depositors and creditors, and restore public confidence and safeguard the integrity of the Nigerian banking industry.

In that regard, the CBN replaced the chief executives/executive directors of the banks identified as the source of instability in the industry and injected the sum of N620.0 billion into the banks in an effort to prevent a systemic banking crisis. The injection of this fund (Tier II capital) into these banks is considered sufficient to resolve and stabilize them and to enable them to continue normal business operations. Arrangements have been made to recover non-performing loans from the banks' debtors while guaranteeing all foreign credits and correspondent banking commitments of the five banks.

As additional measure to strengthen the reform process, the CBN commenced the creation of Asset Management Corporation. The Assets Management Corporation of Nigeria (AMCON) has already been passed into law by the National Assembly and signed into law by the President. The AMCON as a resolution vehicle is expected to soak the toxic assets of the CBN-intervened banks and provide liquidity to them as well as assist in their capitalization.

Furthermore, the Bank in collaboration with the fiscal authorities is improving the macroeconomic environment so as to achieve robust monetary and financial policies in particular and, the overall macroeconomic objectives of the government, in general. In this regard, the Bank is collaborating with the Federal Government to raise N500.00 billion for power/ infrastructure development. This is expected to provide favorable environment that would encourage operators in the industry. In addition, N200.00 billion has recently been provided wholly by the CBN for SMEs financing.

It is also collaborating with the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange (NSE) to reduce the cost of transactions, particularly bond issues so as to diversify funding sources away from banks as well as attract more foreign portfolio investors into the sector. Efforts are also being intensified towards strengthening regulatory and supervisory framework and enhancing monitoring of the operations of the Deposit Money Banks (DMBs) to ensure that they remain safe, sound and healthy. In addition, these efforts will also ensure the sustenance of public confidence through the enforcement of appropriate disclosures and reinvigorating the policy of zero tolerance on all unprofessional and unethical banking practice, and greater emphasis on enforcement of Code of Corporate Governance. Standby teams of target examiners are being deployed to any bank at any time to ensure timely regulatory actions, if necessary.

To further engender public confidence in the banking system and enhance customer protection, the CBN established the Consumer and Financial Protection Division to provide a platform through which consumers can seek redress. In the first three months of its operation, about 600 consumer complaints were received by the Division which was a manifestation of the absence of an effective consumer complaints resolution mechanism in banks. The CBN has also issued a directive to banks to establish Customer Help Desks at their head offices and branches. In addition, the CBN has commenced a comprehensive review of the Guide to Bank Charges with a view to making the charges realistic and consumer friendly. Furthermore, the Consumer and Financial Protection Division is expected to commence a programme of consumer education and enlightenment and is also collaborating with the Consumer Protection Council on the review of the Consumer Protection Council Act No. 66 of 1992 to regulators to enforce discipline in the market.

The CBN has taken steps to integrate the banking system into the global best practices in financial reporting and disclosure through the adoption of the International Financial Reporting Standards (IFRS) in the Nigerian Banking Sector by end 2010. This is expected to enhance market discipline, and reduce uncertainties which limit the risk of unwarranted contagion. The CBN is also, closely collaborating with other stakeholders like the Nigerian Accounting Standard Board (NASB), Federal Ministry of Finance (FMF), NDIC, SEC, and NAICOM; PENCOM, Federal Inland Revenue Service (FIRS), and Institute of Chartered Accountant of Nigeria (ICAN), among others, towards ensuring a seamless adoption of IFRS in the Nigerian banking sector by 2012. These efforts are being pursued under the aegis of the Roadmap Committee of Stakeholders on the Adoption of IFRS in Nigeria inaugurated by the NASB and facilitated by the World Bank.

The universal banking (UB) model adopted in 2001, allowed banks to diversify into non-bank financial businesses. Following the consolidation programme, banks became awash with capital, which was deployed in multiples of financial services. In effect, the laudable objectives of the UB Model were abused by operators with banks operating as financial supermarkets to the detriment of core banking practices. To address the observed challenges, the CBN is reviewing the UB Model with a view to directing banks to focus on core banking business. Under the new model, banks would not be allowed to invest in non-bank subsidiaries, while banks with such investments would be required to either divest or spin-off the businesses to holding companies that will be licensed by the CBN as other financial institutions. The three classes of deposit money banks being proposed are: International banks, National banks, and Regional banks.

Other measures included: the strengthening of institutional coordination through the Financial Service Regulation Coordinating Committee (FSRCC), adoption of common accounting year end for all banks, aimed at improving data integrity and comparability; conducting own-risk assessments and relying less on classifications by rating agencies; limiting the tenor of Chief Executives of Banks to 10 years;; sound and timely regulation and supervision of the financial sector; stringent demand for transparency in the financial sector; and transparency in structured credit instruments to be improved upon for easy assessment of associated risk.

The Central Bank of Nigeria has also articulated a blue print for reforming the Nigerian financial system in general and the banking sector in particular in the next ten years. The blue print, christened "The Alpha Project Initiatives of the CBN" is built on 4 pillars of enhancing the quality of banks, establishing financial stability, enabling healthy financial sector evolution and ensuring that financial sector contributes to the real economy.

Enhancing the quality of banks

The CBN would initiate a five-part programme, to enhance the operations and quality of banks in Nigeria, which would consist of industry remedial programmes to fix the key causes of the crisis, implementation of risk based supervision, reforms to regulations and regulatory framework, enhanced provision for consumer protection and internal transformation of the CBN which has commenced.

Establishing Financial Stability

This would centre on strengthening the Financial Stability Committee within the CBN and establishing a hybrid monetary policy and macro-prudential rules. It would also include the development of directional economic policy and counter-cyclical fiscal policies by the government and further development of capital market as alternative to bank funding. Some of the potential levers for the new macro-prudential rules may include limiting capital market lending to a proportion of a bank's balance sheet, prohibiting banks from using depositors' funds for proprietary trading, private equity or venture capital investment, adjusting capital adequacy and forward looking capital requirement driven by stress tests by the CBN.

Enabling healthy Financial Sector Evolution

The CBN would review the basic one-size-fits-all model of bank regulation in addition to reviewing the universal banking model mandates which would make it possible to have international, national, regional, monoline and specialized banks such as Islamic banks, etc, with different capital requirements, commensurate to the depth of their activities.

Ensuring the Financial Sector Contributes to the Real Economy

This would entail leveraging on the CBN Governor's role as Adviser to the President on Economic Matters to ensure that the financial sector contributes to the real economy. The CBN would take the lead in measuring more accurately the relationship between the real economy and financial sector, as well as cooperating with state governments to run pilot programmes in directing the financial sector's contribution to social and economic development within the states.

Furthermore, the CBN intends to be announcing an advance calendar of its operations for each week so that market expectations are formed in a manner that is conducive to the realization of the objectives of policy. The Bank also proposes to have in place firm consultation procedures with bank executives prior to and after the policy meetings as a condition for bringing about a more open and transparent monetary policy. The CBN is putting in place a code of conduct for regulators to ensure that regulatory and supervisory staff in the financial services sector live up to the high expectation, thereby reducing various types of risks in both their domestic and international operations.

7.0 Lessons of Experience for Nigeria

A number of lessons of experience have emanated from the various reforms in the financial services sector since 1986, particularly the recent financial crisis. This requires that new strategies would have to be conceptualized and articulated to address the increasingly complex issues in the sector. Specifically, some of the major lessons of experience for Nigeria include the following:

Increased Customer Focus and Orientation

In order to remain relevant as financial intermediaries, financial institutions in the country would need to be sensitive to customer needs for greater efficiency and convenience. Customers' expectations have taken a quantum leap in the new global financial landscape. Financial services no longer involve providing only standard products to customers. The need for financial products to be personalized and customized to the individual needs of corporate and retail clients is the order of the day. Financial institutions would, therefore, need to be more proactive and innovative in packaging and marketing their products. Furthermore, in the new financial environment, the need to ensure adequate and effective consumer education and protection has also become even more compelling and challenging so as to prevent any disruption in the level or reliability of services to customers and their protection from potential unfair practices.

Functional Specialization

The intense competition among financial institutions call for the management of the country's banks to re-examine their existing business models to see where their strengths lie and to what opportunities these strengths could be applied to enhance returns. There may be the need to move towards strategic differentiation among the financial institutions in order to better serve the relevant market segment or niches. This may involve market or functional specialization as institutions decide which functional areas or combinations of risk management, customer services, product innovations, to exploit and maximize to their advantage thereby buttressing the new blue print of the CBN (specialized banking) for the banking sector.

Building Capacity in the Sector

The evolving competitive financial environment require highly skilled workforce that would effectively contribute to value creation within the financial institutions. Hitherto, employee recruitment was merely to comply with regulatory requirements, while training was viewed as a non-revenue function that was costly and unnecessary. One thing that is key today is the issue of the quality of manpower. Real strategic change can only take place with competent and committed workforce that is constantly exposed to training and development.

Sound Ethical Banking Practices

Strong good corporate governance and risk management has become key part of successful institutions in the world today. Specifically, the adoption of best practices such as good corporate governance code, risk-based supervision, consolidated supervision, international financial reporting standards, and common accounting year end, among others, would be beneficial to the industry and, the country, at large.

Improved regulatory Framework

One big lesson for the regulatory authorities in the financial services industry in Nigeria would be further streamlining of their regulatory framework as well as strengthening of their supervisory capacity to ensure stability in the industry. In this regard, there would be need to properly monitor the activities and performance of the financial institutions to prevent frequent distress and failures in the system.

Legal Reforms

Another lesson is the need to review the existing rules and laws relevant to the financial industry in Nigeria in line with the new financial environment and international best practice. In the wake of growth in the volume and complexity of financial transactions involving both local and foreign investors in the post-reform era, the challenge is to ensure the cooperation of both the legislature and the judiciary to work closely in the enforcement of the existing laws relating to the financial system in order to engender confidence in the system. There is a compelling need to reform the laws that pertain to the mortgage sector particularly the Land Use Act. This requires the strengthening of the primary mortgage institutions and the review of the relevant laws such as the Land Use Act. With respect to loan recovery within the framework of the financial services industry, there is need to establish special courts that will handle cases of loan defaults, credit fraud and insider abuse related cases promptly.

Liquidation Process and Payment of Private Depositors

A major challenge in the liquidation of the failed financial institutions in the country is the prompt disposal of their assets for the settlement of the depositors. This calls for expedited action on the operationalization of the Assets Management Corporation (AMNCO) as well as the revision of the necessary laws that will make it possible for both the CBN and NDIC to liquidate failed institution(s) without prolonged litigation by the institution(s).

Security of life and property

With the renewed call for foreign investment in the economy, the issue of security of life and property, including property rights and rule of law cannot be overemphasized. There is the need for improved business environment in the country in general in other to sustain the gains of the financial sector reforms and even gain more for improved development of the economy.

8.0 The Way Forward

Maintaining a safe and sound banking sector is essential, given the key role that banks play in promoting the health of a country's overall economy. Most countries do this by some form of banking supervision, generally accepting that the added protection to the banking system in the form of supervision is worth the costs of the regulatory burden. One of the ways that bank supervisors can help promote a healthy banking system is to focus banks on the development of improved risk-management techniques. Indeed, identifying, assessing, and promoting sound risk-management practices have become central elements of good supervisory practice. Bankers should therefore ensure that their risk-management practices include a focus on less likely outcomes, not just the most common ones, and that the bank is being adequately compensated (provisioning) for the risk it is bearing. The use of exercises such as stress tests and scenario analyses can help bankers identify certain points of vulnerability that may arise during potential downturns.

To arrest banking crisis, there is need to strengthen banks' capital requirements in order to ensure their solvency. This is achieved via the purchasing by public authorities of securities issued by banks or by taking stakes, where necessary, in troubled banks. Banks will thus be able to continue developing their lending activities, by increases in their capital, even if adverse market conditions prevent them from raising funds on financial markets.

Another type of action consists of ensuring the proper provision of liquidity to banks by the monetary authorities so that they can continue to finance the economy in the short- and long-term. Central banks have regularly adjusted their operational frameworks in order to provide the banking systems with all the liquidity that they need: The discount window operations was recently extended in order to give renewed impetus to the money market beyond the very short-term segment. The money market transaction thus was considerably strengthened. The range of eligible counterparties was extended to enable the maximum diffusion of liquidity in the system; the scope of eligible collateral for refinancing was enlarged to provide more flexible access and make larger quantities available; in the system the refinancing potential of counterparties was thus almost doubled; the refinancing procedures were also radically modified: quantities are no longer limited and are agreed at a fixed rate (instead of a system of variable rates via auctions).

It has been noted that better risk management and stronger financial buffers alone cannot prevent higher-risk activity taking banks from causing systemic crisis. Banks' quest for maximum profit and shareholders value leads to pressure on the bank management to take excessive risks and should be discouraged through setting of limits of risk-taking. The global financial crisis has demonstrated that banks' excessive risk taking can be catastrophic and that there is no built-in safeguard to constrain such risk taking. It is therefore imperative that regulatory authorities should set percentage-of-capital limits on banks' high-risk activities. The adoption of such limits is the only tangible way to reduce the threat to the financial system.
\
One of the key board responsibilities is to design compensation programs that reward long-term performance and promote sound risk management. The recent financial crisis revealed that bank compensation practices encouraged excessive risk taking and rewarded short-term profits at the expense of long-term viability. To address this deficiency, regulatory authorities in collaboration with boards of directors of banks should establish and adopt prudent standards for bank compensation programs that require a significant portion of bonuses to be paid in shares that vest over time; link bonuses to performance targets and adherence to prudential principles; and permit bonuses only if supervisors consider a bank's capital ratios sufficient.

Moreover, pursuing sound macroeconomic policies is another way for policymakers to help prevent banking and financial crises. For instance, it is beneficial to have sound and sustainable monetary and fiscal policy to provide a stable operating environment for entrepreneurs and financial institutions and markets. Many past crises were precipitated either by an external shock affecting an already vulnerable financial sector or by market participants targeting vulnerabilities in certain markets or in certain institutions or governments. Experience has shown that if a condition or policy looks unsustainable, it is most likely that market forces will eventually bring it to an end.

A major cause of distress in most Nigerian banks has been attributed to poor corporate governance. In most cases, members of management are often self-serving and indulging in criminally irresponsible behaviour in the administration of their banks. This suggests the need for an appropriate mechanism to be put in place to ensure that erring directors are prosecuted on accelerated basis.

Furthermore, having an open and transparent financial system and economy, accompanied by reliable and accurate accounting standards would generally benefit a country and its market participants. A core principle of economics is that markets are more competitive, and therefore more efficient, when accurate information is available to both consumers and suppliers. Information is thus critical to the effective functioning of financial markets: Timely and accurate financial information about markets, market participants, and governments is important for all actors to be able to make informed decisions. This is of course true during normal times, but perhaps more so during a crisis when market participants and governments are sometimes trying to determine where problems lie and how severe they might be. Lack of information can present additional problems during a crisis, and incorrect or incomplete information provided by firms, governments, and other institutions can severely undermine their credibility, worsening the problem. Transparency will assist banks to make informed decisions; rescue them from the illusion of high performance; help to build both customer and investor confidence; provides opportunity for re-strategizing; provide a competitive advantage, clear understanding of the risks and challenges facing the bank.

There is need for a forward-looking supervisory regime which would ensure appropriate and sustained capacity building initiatives. Also, bank supervisors should keep abreast of state-of-the art practices and procedures in order to discharge their functions efficiently, effectively and creditably.

9. Concluding Remarks

The various episodes of financial crises in the country have been examined. We have also tried to highlight the causes of the post-consolidation crisis in the Nigerian banking sector. In addition, some resolution actions taken by the regulatory authorities were highlighted as well as a few lessons of experience. As a way forward, some policy options for a healthy banking system, including sound macroeconomic policy, sound risk management system and high levels of transparency and disclosure, among others, were recommended.

As a final thought, there is no uniform effects neither is there any single remedy to each crisis, but each brings its own surprises and risks. Clearly, we should not assume that past remedies will fully solve the current and next set of problems or address all future crises. The key is to take lessons from the past and tailor them appropriately to address future situations of potential crisis.

REFERENCES

Sanusi, Lamido Sanusi (2010): "The Nigerian Banking Industry: What Went Wrong and Way Forward"; A Pre-Convocation Lecture delivered at Bayero University, Kano.

Sanusi, Lamido Sanusi (2010): "International Financial Structure and the Nigerian Banking System"; A paper presented at a National Conference on Managing the Challenges of Global Financial Crisis in Developing Economies, organized by Nasarawa State University, Keffi.

- (2010) "sustaining reforms in the banking financial services sector" A paper presented at a Plenary Session during the Nigeria Golden Jubilee Business Summit & Gala Dinner, organized by Business in Africa Events (BIAE), held from June 28 29, 2010 at the Grosvenor Marriot Hotel, Park Lane, London W1

Central Bank of Nigeria (2009): "CBN Briefs 2008 2009 Edition", Research Department

Central Bank of Nigeria (2009): 50 years of Central Banking in Nigeria (1958 2008): CBN Publication