European Journal of Business and Management
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.5, No.5, 2013

An Empirical Analysis of the Impact of Globalisation on Performance of Nigerian Commercial Banks in Post-Consolidation Period

Ifeoma P. Osamor[1*], Hamed Akinlabi[2] and Victor Chukwudi Osamor[3]

1. Department of Accounting and Finance (Accounting Programme), Lagos State University, Lagos State, Nigeria
2. Department of Business Administration and Management Technology, Lagos State University External System, Lagos State, Nigeria
3. Department of Computer and Information Sciences, Covenant University, Ota, Ogun State, Nigeria

*Email of corresponding author: ifyposamor@yahoo.com

Abstract

The study examined the impact of globalization on performance of Nigerian commercial banks between 2005 and 2010. It specifically determined the effects of policies of foreign private investment, foreign trade and exchange rate on performance of Nigerian banks. The study utilized panel data econometrics in a pooled regression, where time series and cross-sectional observations were combined and estimated. The results of econometric panel regression analysis confirmed that globalization, i.e. foreign private investment, foreign trade and exchange rate have positive effects on the profit after tax of banks but the magnitude of such effects remains indeterminable because we discovered that there are variations in the data for performance of banks understudied. Based on these findings, the study recommends that banks in Nigeria should not relent in their interaction with their foreign counterpart in doing business in order to increase their foreign earnings. Banks should also spend more on information and communication technology since this has the capacity of increasing their profit. This information technology (IT) should be used to localize all the branches to a single branch networking. In spending more on information and communication, they should make use of satellite communication and very small aperture terminal (VSAT) technology and internet banking VSAT technology apart from making possible voice and video banking. We further recommend that more banks should be opened in foreign countries in order to increase foreign participation in home country's banking.

Keywords: Globalization, Bank Performance, Post-consolidation

1. Introduction

The most challenging development in world history today is globalisation. Globalisation is the increased integration of world economies through trade and capital flows, facilitated by the phenomenal growth in information technology and the opening up of closed economies and societies (Ezike, 2009). The concept of globalisation infers that the globe is a single unit which functions as one when it comes to decision-making. In other words, globalisation implies the free movement of goods, services and capital throughout the world. Globalisation involves the opening up of national economies to global markets (Rupali, 2008).

With the advent of globalisation, the world has become a much smaller place where interaction between different countries has led to a situation where a country's economy and development are not only in the hands of the ruling government, but is highly influence by international organizations where international rules and legislations reigns. This naturally and simultaneously results in the simultaneous reduction in the role of the State to shape national policies. Many Socialists define globalisation as a primarily economic phenomenon, which involves increasing interaction and integration of national economic systems. This leads in turn to growth in international trade, investment and capital flows. Moreover, there is a rapid increase in cross-border social, cultural and technological exchanges because of the phenomenon of globalisation. Globalisation affects virtually all the industries and the banking industry is no exception. Economists believe that the inception of the global integrationist means the globalisation of financial services. Other elements that contribute to the globalising of the banking industry are the emergence of new business models, the emergence of global challenges to banking, the changing attitude and perspectives of the workforce and the emergence of new competitors. The most important, however, is the ongoing trend of removing regulatory barriers to international banking.

The banking industry in Nigeria, for instance, had been revolutionized by globalisation. All the commercial banking businesses in Nigeria are privately owned, and globalization advent affects these commercial banks. The globalization of Nigerian banks was facilitated by the advancement of Information and Communication Technology (ICT). Since there are also risks, the Nigerian government through the Central Bank of Nigeria (CBN) adopted appropriate regulatory, prudential and supervisory framework regarding the banking industry. The recent consolidation of the Nigerian banking system (banking sector reforms) is another aspect of globalization.

Adegbaju and Olokoyo (2008) observed that banking reforms have been an ongoing phenomenon around the world right from 1980s, but it became more intensified in recent time because of the impact of globalisation which is predicated by continuous integration of the world market and economies. These reforms were preceded against the back-drop of banking crisis due to highly undercapitalization deposit taking banks; weakness in the regulatory and supervisory framework; weak management practices; and the tolerance of deficiencies in the corporate governance behaviour of banks. Another argument of the CBN about the banking reforms was centred on the need to play catch-up with the international community. Soludo (2007) further noted that the interdependence of national financial and economic systems has become greater today than ever before and nations that build protective walls around their economies would be undermining their growth and development. Therefore, the interaction of development in technology with deregulation has contributed substantially to reshaping the financial landscape in most countries, including Nigeria.

2. Literature Review

Considering the importance of the advent of globalisation in the banking sector, especially commercial banks, researchers around the world have conducted different studies with varying levels of interest and details. Though much have been written regarding the benefits and downsides of globalization, there are few concrete, empirical evidences and discussions on the pros and cons of globalization for the financial industry especially the banking industry. Few available researches in Nigeria focused on effects of globalization on financial markets and financial sector development (i.e. see Bada et al., 2006). Financial globalization has grown in size and scale but whether the advantages and disadvantages had grown or decrease is not yet known.

2.1 The Evolution of Globalisation

Egware (2009) traced the history of globalization back to the post-World War II phenomenon. Globalization may in many ways be viewed as a resumption of a trend observed in the world economy in the 19th century. The process observed before 1914 could hardly be called “globalization” however, since most regions of the world did not participate and because the speed of transmission and communication was much less feasible than it is today, to organize markets, or to operate firms at the global level. Furthermore, international financial markets today are characterized by much larger gross flows, with a much larger variety of financial instruments being traded across borders. The period from the mid 19th century to World War I exhibited relatively rapid growth in world trade, as the expansion of exports significantly outpaced that of real output. The share of exports in world output reached a peak in 1913. Growth in trade occurred partly as a consequent of reduced tariff and greatly reduced transportation costs reflecting the proliferation of railroads and steamships.

The process of trade liberalization in Europe began with Britain’s unilateral movement to free trade with the abolition of the Corn Laws of 1846. It spreads to other countries with the Cobden Hevallier Treaty of 1860 between Britain and France. The Treaty in addition to reducing French tariff rates, incorporated a Most-Favoured-Nation (MFN) clause in which each contracting party agreed to extend to the other any reduction in tariff rates are introduced vis-a vis a third party. Due to the reduction of tariff rates only to the Britain, it gave other trading partners an incentive to sign similar treaties with it. Within the next two decades, virtually all of Europe reduced tariffs in a series of bilateral agreements with MFN clauses (Egware, 2009). The fact was that the non-tariff barriers were of secondary importance and foreign exchange transactions were not controlled under the classical gold standard that prevailed before 1914. The network of bilateral commercial treaties constituted a liberal multi-lateral trade regime. However, the system had two major shortcomings, which are: It did not guarantee tariff reductions and the treaties were subject to renegotiation upon expiration. These two defects were rectified in the multilateral arrangement instituted after World War II.

The First World War led to a series of quantitative restrictions on trade by the belligerents. After the war, many countries reduced their restrictions but substituted tariffs in 1929 following an increase of twenty-three percent (23%) on import duties by the United States in mid 1930. Most countries retaliated, while some countries instituted quantitative restrictions and other trade barriers in an attempt to stimulate their economies. The deflation of the 1930's caused some countries including the United Kingdom and the United States to abandon the gold standard, devalued their currencies and pursued expansionary polices. On the other hand, the gold bloc (France, Italy, Belgium, the Netherlands, and Switzerland) staged on gold, but raised tariffs. A third group (Germany, Australia, and the central European countries) used exchange controls to create a series of bilateral trade agreements. By the mid 1930's tariff protection in US was reduced following the Reciprocal Trade Agreement Act of 1934, under which the United States negotiated a series of bilateral agreements. At the end of the Second World War, the General Agreement on Tariffs and Trade (GATT) was created by the international community along with the IMF and the World Bank. Based on the principles of multilateral cooperation, the GATT had a mandate to roll back tariffs from their pre-war levels and to continue reducing them in the future. At the first Geneva round in 1947, the GATT successfully reduced the tariffs by at least 35 percent. Successive Rounds in the 1950's and 1960's (the Kenedy Round) and the 1970s (Tokyo Round) and the Uruguay Round have to a very large extent eliminated tariffs on manufacture red goods. The World Trade Organization (WTO), which succeeded GATT in 1994, is currently engaged in reducing non-tariff barriers and protection, including the areas not covered by the GATT.

2.2 The Evolution of the Nigerian Banking Sector

The banking operation began in Nigeria in 1892 under the control of the expatriates and by 1945, some Nigerians and Africans had established their own banks. The first era of consolidation ever recorded in Nigeria banking industry was between 1959 and 1969. This was occasioned by bank failures during 1953-1959 due to liquidity of banks. Banks, then, do not have enough liquid assets to meet customers demand. There was no well-organized financial system with enough financial instruments to invest in. Hence, banks merely invested in real assets which could not be easily realized to cash without loss of value in times of need. This prompted the Federal Government then, backed by the World Bank Report to institute the Loynes commission on September 1958. The outcome was the promulgation of the ordinance of 1958, which established the Central Bank of Nigeria (CBN). The year 1959 was remarkable in the Nigeria Banking history not only because of the establishment of Central Bank Nigerian (CBN) but that the Treasury Bill Ordinance was enacted which led to the issuance of our first treasury bills in April, 1960.

The period (1959–1969) marked the establishment of formal money, capital markets and portfolio management in Nigeria. In addition, the company acts of 1968 were established. This period could be said to be the genesis of serious banking regulation in Nigeria. With the CBN in operation, the minimum paid-up capital was set at ₦400,000 (USD$480,000) in 1958. By January 2001, banking sector was fully deregulated with the adoption of universal banking system in Nigeria which merged merchant bank operation to commercial banks system preparatory towards consolidation programme in 2004.

In the '90s, proliferation of banks which also resulted in the failure of many of them, led to another recapitalization exercise that saw bank's capital being increased to ₦500million (USD$5.88) and subsequently ₦2billion (US$0.0166billion) in 2004 with the institution of a 13-point reform agenda aimed at addressing the fragile nature of the banking system, stop the boom and burst cycle that characterized the sector and evolve a banking system that not only could serve the Nigeria economy, but also the regional economy. The agenda by the monetary authorities is also to consolidate the Nigeria banks and make them capable of playing in international financial system. However, there appears to be deliverance between the state of the banking industry in Nigeria vis-à-vis the vision of the government and regulatory authorities for the industry. This, in the main, was the reason for the policy of mandatory consolidation, which was not open to dialogue and its components also seemed cast in concrete.

In terms of number of banks and minimum paid-up-capital, between 1952 and 1978, the banking sector recorded forty-five (45) banks with varying minimum paid-up capital for merchant and commercial banks. The number of banks increased to fifty-four (54) between 1979 and 1987. The number of banks rose to one hundred and twelve (112) between 1988 and 1996 with substantial varying increase in the minimum capital. The number of banks dropped to one hundred and ten (110) with another increase in minimum paid-up capital and finally dropped to twenty-five (25) in 2005 with a big increase in minimum paid-up capital from ₦2billion (USD$0.0166billion) in January 2004 to ₦25billion (USD$0.2billion) in July 2004 (Somoye, 2008). After the consolidation, the number of banks later reduced to twenty-three (23), due to the merger of some banks. These banks are saddled with the following functions among others: acceptance of deposits from customers; provision of credit facilities in form of loan and overdraft; management of customer's portfolio of investment and provision of investment advice.

2.3 Prior Studies on the Impact of Globalisation and Performance of Banks

Goyal (2006) carried out a study on the impact of globalisation on developing countries with special reference to India, he discovered that globalisation in India had a favourable impact on the overall growth rate of the economy. The growth rate was as low as 3% in 1970, but almost doubled to 5.9% in the eighties as a result of globalisation. Studies have proven that globalisation has impacted different economy in different ways.

The efficiency and performance of commercial banks have been studied extensively over the last several decades. For instance, Ferrier and Lovell (1990), Elyasiani and Mehdian (1992), Grabowski et al. (1993) and Alam (2001), among others, use the Data Envelope Analysis (DEA) approach to assess the production performance of U.S. commercial banks relative to several best practiced frontiers. The empirical findings of these studies suggest that the overall efficiency of the U.S. banking industry ranged from 65% to 90% in the 1980s and 1990s. The performance of banks operating in countries outside the U.S. has also been studied extensively. For example, Berg et al. (1992) and Berger et al. (1993) evaluate the efficiency and productivity growth of banking industries in Nordic countries, and conclude that Swedish banks are the most efficient, followed by Norwegian banks and then Finnish banks. Pastor et al. (1997) analyze and compare the efficiency of the banking industries in Europe and the U.S. These authors report that banks operating in France, Spain and Belgium are the most efficient banks in their samples, whereas banks operating in the U.K., Austria and Germany illustrate the lowest efficiency levels.

Lozano-Vivas et al. (2002) examine the performance of a sample of banks in ten European countries, and conclude that country-specific environmental conditions exert a significant influence on the performance of each country's banking industry. Most recently, Casu et al. (2004) employ both parametric and non-parametric approaches to estimate productivity change in European banking systems from 1994 to 2000. They find that productivity growth was highest for Spanish and Italian banks, and more modest for French, German and British banks. There are a limited number of papers in which the authors have studied the efficiency of banks in Asia (see for instance, Fukuyama (1995) for Japan, Yeh (1996) for Taiwan, Leightner and Lovell (1998) for Thailand, Gilbert and Wilson (1998) for Korea, and Lim and Chu (1998) and Rezvanian and Mehdian (2002) for Singapore). The results of most of these studies show that, in general, depository institutions have an average efficiency of approximately 77%.

3. Research Methodology

3.1 Indices for Measuring the Impact of Globalisation

The impact of globalization will be measured by the indices of globalisation such as the foreign private investment (FPI), foreign trade (FT) and exchange rate (ER).

3.1.1 Foreign Private Investment (FPI)

Foreign Private Investments are foreign capital inflow from one country to another. The role of foreign private investment in stimulating economic growth has been given prominence in development. The classical economist gave prominence to the extension of markets as a key element that would encourage economic growth and development. With extension of market economies prosperity would emerge as a result of increased specialization and trade (Okpe and Abu, 2009). Hood and Young (1979) observed that a country may invest in another rather than exporting because of certain advantages. Such ownership bestows specific advantages not shared by its competitors, such as advantages in technology, marketing/branding skills, superior organizational skills, and ability to differentiate product and management technique.

The inflow of Foreign Private Investment in Nigeria had assumed tremendous dimension since 1970s. Available data showed that Foreign Private Investment increased from its low level of ₦2,287.5 million to ₦6,804.0 million in 1985. However, from 1986 upward, there was a tremendous increase. For example, it increased from ₦9,313.6 million in 1986 to ₦414,271.3 million in 2009.

3.1.2 Foreign Trade

Foreign trade is exchange of capital, goods and services across international borders or territories. It refers to exports of goods and services by a firm to a foreign-based buyer (importer). Until the mid-1950s, agricultural commodity exports mainly cocoa, groundnuts, palm oil, and palm kernels earned more than the cost of merchandise imports. The demand for imports remained limited by the country's low income, lack of industrialization, negligible use of foreign inputs in agriculture, and sterling bloc restrictions. Nigeria had continued to specialize in primary products (food, raw materials, minerals, and organic oils and fats) and to import secondary products, such as chemicals, machinery, transportation equipment, and manufactures, used in Nigeria's development. Primary commodities comprised 98 percent of exports and 21 percent of imports in 1955, 92 percent of exports and 19 percent of imports in 1975, and 98 percent of exports and 24 percent of imports in 1985. Minerals (largely petroleum) accounted for an increasing proportion of exports through the 1970s, increasing from 13 percent in 1955 to 35 percent in 1965, to 93 percent in 1975, and then to 96 percent in 1985. The dependence on oil and a few other export commodities made Nigeria particularly vulnerable to world price fluctuations. Nigeria's overall commodity terms of trade (price of exports divided by price of imports) fell substantially from a base of 100 (1980) to 83.8 (1984) and 35.5 (1986), before rising to 42.6 (1987) and then falling to 34.6 (1988). Meanwhile, export purchasing power (quantity of exports multiplied by the commodity terms of trade) declined from 100 (1980) to 48.3 (1984), 23.0 (1986), 23.1 (1987), and 20.4 (1988), a 79.6 percent reduction in the purchasing power of exports in eight years.

Nigeria traded worldwide with about 100 countries, but the composition of trade by country had changed since the colonial period. During the colonial era, Britain was Nigeria's dominant trading partner. As late as 1955, 70 percent of Nigeria's exports were to Britain and 47 percent of its imports were from Britain. However, by 1976 Britain's share of Nigerian exports and imports dropped to 38 percent and 32 percent respectively. In the 1970s, Britain was replaced by the United States as Nigeria's chief trading partner. In 1988 the United States was Nigeria's best customer, buying more than 36 percent of its exports (primarily petroleum products); Britain was Nigeria's leading vendor, selling the nation more than 14 percent of its imports. In 1990 Nigeria had associate status, including some export preferences with the European Economic Community (EEC). As a result, it had a number of major EEC trading partners, including Germany, France, Italy, Spain, and the Netherlands. Nigeria also had an active trade relationship with some members of the Organisation for Economic Co-operation and Development, notably the United States, Canada, and Japan. Trade with African countries, mainly neighbouring countries within the Economic Community of West Africa (ECOWAS-created in 1975), comprised only 3 to 4 percent of total trade. In the 1980s, trade with Eastern Europe and the Soviet Union constituted less than 1 percent of Nigeria's total. Foreign trade between Nigeria and other countries have grown over the years till the year 2009.

3.1.3 Exchange Rate

One of the most dramatic events in Nigeria in recent time is the devaluation of the Nigerian naira against other currencies around the world, especially currencies like US dollar, and Euro which brought about the exchange rate. Exchange rate is the amount of one currency that a person or institution defines as equivalent to another when either buying or selling it at any particular moment; The rate at which one currency can be exchanged for another, usually expressed as the value of the one in terms of the other.

3.2 Model Specification

Using the Panel Data Regression Model, the model is stated below:

$Y_t = \beta_1 + \beta_2 X_{2t} + \beta_3 X_{3t} + U_t$ ………………………………............................... (1)

t for the t $_{th}$ time period

U_{it} stands for the error

β1, β2, β3, are fixed

Taking account of "individuality" of each bank and/each cross sectional unit, we vary the intercept for each but still keep the slope co-efficient constant. We can rewrite the model:

$Y_{it} = \beta_1 + \beta_2 X_{2it} + \beta_3 X_{3it} + U_{it}$ ……………………………….......................... (2)

Where *i* stand for the *ith* cross-sectional unit

β_{1i} are random variables

β_i represents a mean value

$\beta_{1i} = \beta_1 + U_{it}$

U = the error term.

3.3 Analytical Method

This study employed the analytical survey method defining both dependent and independent variables as sourced by the researcher to be analyzed using the appropriate statistical tools and drawing inference (Akingunola, 2005). This analysis enables us to either accept our null hypothesis Ho: there is no significant relationship between Profit after Tax of commercial banks and the independent variables of Foreign Private Investment, Foreign Trade, and Exchange rate or accepting the alternative hypothesis Hi: there is a significant relationship between Profit after Tax of commercial banks and the independent variables of Foreign Private Investment, Foreign Trade and Exchange rate. Essentially, this study aims at evolving an empirical analysis of the impact of globalization on performance of Nigerian commercial banks in post-consolidation period.

The E-view computer software was used to analyze the data, while Panel Data Regression model was used to capture the cross sectional data and time series analysis of 6 commercial banks. However, it is necessary to make use of a model capable of accepting many decision variables at a time either in univariate or multivarious objectives. A high coefficient of determination will indicate objectivity because it will tell us that hypothetical variables indeed play crucial factors in the performance of banks, otherwise our performance index is void of objectivity.

The Panel data Regression Model rather than simple or multiple has the advantage of providing more informative data, more variability, less collinearity among variables, more degree of freedom and efficiency (Gujarati, 2004). Besides, it is best suited to study 'dynamics of change, more complicated behavioural models and has the capacity of enriching empirical analysis in ways that may not be possible for ordinary regression or multiple analysis (Akintoye, 2008)'.

4. Interpretation Of Results

In interpreting the result of the Panel Data the coefficient and statistical significance of individual variables are considered. The slope coefficients are expected to have positive signs and R^2 are expected to be above average. Durbin-Watson statistical test under normal condition is expected to have a value of between 1.9 and 2.2. A low Durbin-Watson value could result from specification errors or auto-correlation in the data. Therefore, despite the usefulness and simplicity of pooled regression, the true picture of the relationship between dependent and independent variables may be distorted. We can minimize or solve these problems by considering the fixed effect of the model by introducing Dummy variables and the Random Effect which incorporates the error components.

4.1 Discussion of Results

The date analyzed contained 6 year (i.e. 2005 – 2010) profit after tax (PAT) of 8 commercial banks and other macroeconomic variables to capture globalization resulting in a total of 48. The eigth commercial banks were conveniently selected from the list of 23 banks emerged from the bank consolidation exercise. The list of the banks and their respective performance indicators are presented in appendix 1. From the result of the analysis, it is clear that globalization proxied by foreign private investment, foreign trade and exchange rate impacted positively on the profit after tax of banks, and coefficients are statistically significant at 5%. The t-statistics for foreign private investment, foreign trade and exchange rate are 2.066781, 2.558605 and 3.084412 respectively are greater than the critical t-value of 1.96. This implies that foreign private investment, foreign trade and exchange rate are determinants of bank performance. The R^2 and adjusted R^{-2} accounted for 79% and 75% of the variations in the profit after tax of banks respectively, while the Durbin-Watson d-test of 1.9725523 is a measure of "goodness of fit" of this model.

From the foregoing we can conclude that globalization has significant influence on performance of banks in Nigeria. However, the magnitude of such influence remains indeterminable because we discovered that there are variations in the data for performance of banks understudied. This means that the influence of globalization on the commercial banks may differ significantly because their performance differs across banks and years.

5. Conclusion and Recommendations

Globalisation is a development that should not be taken likely because it exposes a closed economy to the world at large. In considering the concept of globalisation, it is pertinent to analyse aspects of globalisation and how it impacts on performance of commercial banks. This study has empirically considered the impacts of globalisation on performance of commercial banks in the post-consolidation period. The study sampled the profit after tax of 8 commercial banks as a measure of performance to determine the impact of globalisation (Foreign Private Investment, Foreign Trade and Exchange Rate) on them. The result showed that globalisation has impacted greatly on the performance of this bank. Therefore, it should be borne in mind that for great performance to be achieved by commercial banks, globalisation should be considered as an aspect to look into.

Based on these findings, the study recommends that banks in Nigeria should not relent in their interaction with their foreign counterpart in doing business in order to increase their foreign earnings. Banks should also spend more on information and communication technology since this has the capacity of increasing their profit. This information technology (IT) should be used to localize all the branches to a single branch networking. In spending more on information and communication, they should make use of satellite communication and very small aperture terminal (VSAT) technology and internet banking VSAT technology apart from making possible voice and video banking. We further recommend that more banks should be opened in foreign countries in order to increase foreign participation in home country's banking.

Finally, we also propose that the government through the CBN should formulate macroeconomic policies that will enable the domestic banks to compete favourably with their foreign counterparts and the policies should be sound to favour economic globalization in the form of more foreign private investment, foreign trade and a better policy that will revalue our Naira against other foreign currencies.

References

Adegbaju, A.A. and Olokoyo, F.O. (2008). "Recapitalization and Banks' Performance: A Case Study of Nigerian Bank". *African Economic and Business Review,* 6, 1.

Akingunola, R. O.(2005). "Returns Variability of Nigerian Quoted Industrial Firms". Unpublished Ph.D Thesis Submitted to University of Benin, Nigeria.

Akintoye, I. R. (2008). "Sensitivity of Performance to Capital Structure". *European Journal of Social Sciences* 7(1), 23 – 31.

Alam, I. M. S. (2001). "A Nonparametric Approach for Assessing Productivity Dynamics of Large U.S. Banks". *Journal of Money, Credit and Banking* 33, 121 – 39.

Bada , A.O. , Okunoye, A. Eyob, E. , Adekoya, A. and Omojokun, E. (2006). "Globalisation and the Nigerian banking industry: efficiency and legitimacy considerations in the adoption of electronic banking (e-banking) services." *International Journal of Management and Decision Making,* 7(5), 494 - 507.

Berg, S.A., FØrsund, R.R. and Jansen, E.S. (1992). "Malmquist Indices of Productivity Growth during the Deregulation of Norwegian Banking". *Scandinavian Journal of Economics,* 94, 211-228.

Berger, A.N., Hunter, W.C. and Timme, S.G. (1993). "The Efficiency of Financial Institutions: A Review and Preview of Research Past, Present, and Future". *Journal of Banking and Finance*, 17, 221-249.

Casu, B., Giradone, C. and Molyneux, P. (2004). "Productivity Change in European Banking: A Comparison of Parametric and Non-Parametric Approaches". *Journal of Banking and Finance,* 28, 2521-2540.

Egware, L. E. (2009). "Institutional Agents of Globalization". *CBN Economic and Financial Review*, 36(4), 352.

Elyasiani, E. and Mehdian, S. (1995). "The Comparative Efficiency Performance of Small and Large U.S. Commercial Banks in the Pre and Post Deregulation Eras". *Applied Economics,* 27, 1069-79.

Ezike E. (2009). *International Business Finance and Management.* Lagos: Concept Publications Limited.

Ferrier, G.D. and Lovell, C.A.K. (1990). "Measuring Cost Efficiency in Banking: Econometric and Linear Programming Evidence". *Journal of Econometrics,* 46, 229-245.

Fukuyama, H. (1995). "Measuring Efficiency and Productivity Growth in Japanese Banking: A Non-parametric Frontier Approach." *Applied Financial Economics,* 5, 95-107.

Gilbert, R.A. and Wislon, P.W. (1998). "Effects of Deregulation on the Productivity of Korean Banks". *Journal of Economics and Business,* 50, 133-155.

Goyal, K.A. (2006)."Impact of Globalization on Developing Countries (With Special Reference to India)". International Research Journal of Finance and Economics, ISSN 1450-2887, Issue 5.

Grabowski, R., Rangan, N. and Rezvanian, R. (1993). "Organizational Forms in Banking: An Empirical Investigation of Cost Efficiency". *Journal of Banking and Finance,* 17, 531-538.

Gujarati. D (2004), "Basic Econometrics," Published By Tata Mcgraw-Hill Publishing Company Limited 7 West Patel Nagal New Delhi.

Hood, N. and Young, S. (1979). *The Economics of Multinational Enterprise*. London: Longman.

Leightner, J.E. and Lovell, C.A.K. (1998). "The Impact of Financial Liberalization on the Performance of the Thai Banks". *Journal of Economics and Business,* 50, 115-131.

Lim, G.H. and Chu, S. (1998). "Efficiency and Returns: An Empirical Study of Six Singapore-listed Banks". *Asian Pacific Journal of Finance,* 1, 191-207.

Lozane-Vivas, A.A, Pastor, J.T. and Pastor, J.M. (2002). "An Efficiency Comparison of European Banking Systems Operating Under Different Environmental Conditions". *Journal of Productivity Analysis, 18*, 59-77.

Okpe, I. J. and Abu, G.A. (2009). "Foreign Private Investment and Poverty Reduction in Nigeria (1975 to 2003)*". Journal of Social Science, 19(3).*

Pastor, J.M., Perez, F. and Quesada, J. (1997). "Efficiency Analysis in Banking Firms: An International Comparison". *European Journal of Operations Research,* 98, 395-407.

Rezvanian, R. and Mehdian, S.M. (2002). "An Examination of Cost Structure and Production Performance of Commercial Banks in Singapore". *Journal of Banking and Finance* 26, 79-98.

Rupali S. (2008). "Impact of Globalization on Banking Services in India." SME Toolkit.

Soludo, C.C. (2007). "Central Bank and the Globalizing Forces of 21st Century." Abuja: CBN Research Department.

Somoye, R.O.C. (2008). "The Performances of Commercial Banks in Post- Consolidation Period in Nigeria: An Empirical Review." *European Journal of Economics, Finance and Administrative Sciences*, ISSN 1450-2275, Issue 14

Yeh, Q.J. (1996). "The Application of Data Envelopment Analysis in Conjunction with Financial Ratios for Bank Performance Evaluation". *Journal of Operation Research Society,* 47, 980-988.