



Illinois Wesleyan University
Digital Commons @ IWU

John Wesley Powell Student Research
Conference

2007, 18th Annual JWP Conference

Apr 14th, 2:35 PM - 3:35 PM

Revolutionary Reforms in the Nigerian Banking Sector: The Effects on Profitability and Cost of Intermediation

Bukola Olaosebikan, '09
Illinois Wesleyan University

Elisabeth Pana, Faculty Advisor
Illinois Wesleyan University

Follow this and additional works at: <https://digitalcommons.iwu.edu/jwprc>

Olaosebikan, '09, Bukola and Pana, Faculty Advisor, Elisabeth, "Revolutionary Reforms in the Nigerian Banking Sector: The Effects on Profitability and Cost of Intermediation" (2007). *John Wesley Powell Student Research Conference*. 28.
<https://digitalcommons.iwu.edu/jwprc/2007/posters2/28>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

Poster Presentation P60

**REVOLUTIONARY REFORMS IN THE NIGERIAN BANKING SECTOR: THE EFFECTS
ON PROFITABILITY AND COST OF INTERMEDIATION**

Bukola Olaosebikan and Elisabeth Pana*

Business Administration Department, Illinois Wesleyan University

In July 2004, the chairperson of the Nigerian Central Bank announced a 1150% increase in the minimum capital requirement for banks operating in Nigeria, from less than N2 billion to more than N25 billion. This paper examines the wave of mergers and acquisitions, initial public offerings and bank liquidations initiated by the regulatory change and its impact of the cost of intermediation and profitability. Finally, we identify some of the differences between the two sub-samples - banks that achieved the stipulations aforementioned ad novo legislation (through M&As or IPOs) and banks that failed as a direct result of the new rule.