THE EFFECT OF CAPITAL ADEQUACY ON BANKS' PERFORMANCE

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Abstract

Capital as an important factor of production must be sufficient in business for effective operation of an organization. Bank is one of these organizations whose capital adequacy is of paramount significance to its customers. The Central Bank of Nigeria has the obligation to provide protection and confer confidence on all the banks' depositors and creditors by ensuring banks' capital adequacy to absorb their looses and financial short comings. This is the main reason behind the new bank reform which emphasized that banks' capital base should be increased from N2billion to N25billion for effective performance. The researchers were more concerned on finding out the effect of the new banks' recapitalization for capital adequacy can improve bank performance. Secondary data was used for this research. Data collected were analyzed with regression analysis and recommendations were made based on the results of the analysis for policy making.

Key Words: Capital, Capital Adequacy and Bank Performance.

Introduction

Banks as financial intermediaries obtain their capital through owners' funds, reserves and share capital. The profit earning capacity of banks depends on the prudent combination of assets and liabilities to meet the liquidity and solvency requirements

imposed by the environment including the monetary and banking policies (Longe, 2005; Nnanna, 2005). Banks primary role is to ensure the growth and development of an economy. To ensure availability of funds at any point in time (in meeting with customers' needs and demands), statutory requirements must be in place to regulate and measure banks' capital. Capital plays an important role in enhancing banks' performance. Capital adequacy which is determined by capital –asset ratio is a requisite for banks' effective operation which is a function of the deposits and capital funds. Customers are more concerned with the sufficiency of banks' capital for the safety of their deposits.

However, risk bearing is part of banks business operations but the level of risk depends on the capital funds. In the process of making returns, banks expose the capital nd customers' deposit to risk due to the dynamism and uncertainty of the economy. It therefore becomes mandatory to control and regulate banks' operations by an apex Bank to ensure customers' safety, strengthen and promote soundness, stability and efficiency of the banking system. This helps to reduce the likelihood of banks becoming insolvent (Yudistira, 2003; Brash, 2001). In Nigeria, the Central Bank of Nigeria (CBN) as an apex Bank has the statutory obligation to regulate banks' capitalization as a way of mitigating their solvency problems which may destabilize domestic and international financial system (Bernauer and Koubi, 2002; Brash, 2001). Compliance with this statutory requirement has resulted in the adoption of different strategies in the banking industry such as, merger and acquisition, raising of funds through the capital market and consolidation as the viable options for continuity. This exercise according to Soludo, (2005) "will protect banks customers' deposits and confer confidence on them in dealing with banks." In furtherance of his assertion, Soludo explained that ;

the need for recapitalization arises from the fact that banks have not played their expected role in the development of the economy because of their weak capital base and as such, the decision to increase the capital base of banks with the aim of strengthening and consolidating the banking system.

The need for the banks' reform arises from the fact that banks play important role in any nation's economic growth and development. However, the banks in Nigeria have not made much difference as long as economic development and growth is concerned. For

instance, governments' efforts and control in ensuring that banks are more involved in financing the real sectors of the economy (through monetary guideline on their lending policy) has not yielded much result rather systemic distress has continued to frustrate the banking system. The number of distressed banks has been on the increase since 1991 irrespective of the capital base of these banks. The report of Nigeria Deposit Insurance Corporation (NDIC) and CBN showed that in 1991, only 8 banks were distressed, but this figure drastically increased from 16 in 1992, to 33 in 1993 and further to 60 in 1995 and it has been on the increase until 2005 when it became obvious that reform in the banking industry is a necessity (Uremandu, 2000). Hence, the current reformation exercises for consolidation of banks is for competence and competitiveness. As Soludo (2005) affirmed: the strengthening and consolidation of the banking system was … designed to ensure a diversified, strong and reliable banking sector which will ensure the safety of depositors' money, play active development roles in the Nigerian economy and also become competent and competitive in the regional and global financial system.

Investment and business financing for economic advancement is the main focus for banks' recapitalization. Hence, Soludo (2005) emphatically, emphasized that "what we are expecting at the end of this whole exercise is that we should have banks that will be able to syndicate credit to the system, support agriculture and be a global player". This means that we do not need a banking system that is rent seeking rather we want a banking system that is sound, reliable and can finance investments. This study is therefore carried out to find out the effect of capital adequacy on banks' performance. This paper is structured into five sections. Section one is the introduction, section two examines the conceptual framework and literature review, section three centers on the research methods, section four is the results while section five, conclusion and recommendations

Conceptual Framework/Literature Review

Capital Adequacy

In the banking industry, capital is usually regulated by an apex Bank to mitigate bank solvency problems (Bernauer and Koubi, 2002). In Nigeria, the Central Bank of Nigeria (CBN) regulates banks' capital. The theory of capital adequacy has its focus on measures and regulations from the apex

Bank towards ensuring that banks have enough capital to take care of their numerous financial obligations. With capital adequacy, it is assumed that a bank will be able to absorb its losses and finance its business operations. Bank's capital therefore depends on a number of factors such as the bank's size, the level of risk involved in its operations, the market forces, the lending policy, its management capabilities, its portfolio (assets and cash), CBN requirement on reserves and its growth rate (Barrios and Blanco, 2000; Bernauer and Koubi, 2002). All these factors act as determining factors as long as the capital base of bank is concerned. For instance, if a bank is to grow, with increased deposits and earning assets, it must expand its capital base but at same time keep the risk level constant (Uremadu, 2000). However, irrespective of the factor that determines the amount of capital a bank has, it must be adequate and in line with the apex bank's statutory requirement.

Measurement of Banks' Capital Adequacy

Bank capital adequacy is usually measured by Capital Asset Ratio (CAR). In a regulated financial environment such as USA, Switzerland and New Zealand a statutory capital asset ratio is established by bank regulator for measuring capital adequacy. For instance in US, the banking sector average capital–asset ratios were established based on basic capital adequacy standards (4% Tier CAR and 8 % Tier 1+2 CAR adopted in 1988, which has been in force since 1990/1992) (Bernauer and Koubi, 2002). It is the duty of banks regulatory authorities to establish a minimum requirement as long as banks capital asset ratio is concerned using the Basle Accord standard. In measuring banks' capital adequacy, bank capital is divided into two; tier one capital and tier two capital (Brash, 2001). The CBN as the apex Bank established three methods for measuring capital adequacy which Uremadu (2000) enumerated as (i) Fixed minimum capital requirement (ii) Limitation of lending limit and (iii) weighted risk/ asset ratio. Presently, these three methods have constantly been used for bank capital control purposes in Nigeria.

Capital Adequacy and Bank Performance

Capital accounts form a small percentage of the financial resources of the banking institutions and it plays a crucial role in their long-term financing and solvency position (Barrios and Blanco, 2000). As banks'

capital are subjected to the regulation of the apex Bank which centers on increasing banks' capital base from N2 billion to N25 billion in 2005, the Nigerian banks faced high degree of competition within the banking sector in their attempts to meet up with the requirement. Furlong & Keeley (1991) listed the factors that may affect bank's capital; these include competition, more depositors, less fund costs, risk in portfolio interest, high return on equity, less distress incidences, profit maximization, avoidance of bankrupt and their negative externalities on the financial system and incentive to increase risky assets. The effect of capital adequacy on bank's performance depends highly on these factors and the regulatory body prevailing in the country.

Since banks' capital, accounts for over 30% and 44% of the banks' total assets and deposits, respectively, determining capital adequacy of banks in isolation (without considering its performance) might be misleading. In line with this, Barrios and Blanco, (2000) opined that determining bank's performance in relation with its capital adequacy; some variables must be considered. These variables include banks' managerial quality and productive efficiency which depends so much on the degree of competition in the industry. The ability of the bank management to ensure that bank's capital is effectively managed, determines how adequate the capital is. Having capital adequacy ratios above the minimum levels recommended by the Basle Capital Accord, does not guarantee "safety" of a bank, as capital adequacy ratios is concerned primarily with credit risks. As Brash, (2001) rightly observed that "there are also other types of risks which are not recognized by capital adequacy ratios e.g. inadequate internal control systems could lead to large losses by fraud, or losses could be made on the trading of foreign exchange and other types of financial instruments". Other risks involved in financial transitions must be seen as relevant while determining bank performance. In other words, capital adequacy ratios are only as good as the information on which they are based, and should not be interpreted as the only indicators necessary to judge a bank's financial soundness (Brash, 2001).

Evaluating Bank Performance

Banks' performance are usually evaluated using parameters such as turnover made during the year and ability to sustain it, extension of branches to the grass root, net profit of the bank, computerization of its numerous branches, Net profit after tax

ratio, share of credit in domestic credit, share price, improvement in the employee performance and returns on Assets. Capital adequacy in line with the standard set is the ability to meet up with the CBN targets in term of capital reserve, lending to primary sectors and improvement in the employee's performance. Considering these variables, apex Bank has the statutory obligation to ensure that banks capital is adequate to meet its target goals and objectives of satisfying its various customers and ensuring the safety of customers' deposits. However, banks' target goals and objectives are most often relative. Due to the volatility and uncertainty of the economy, most Nigerian banks have performed below standard as long as these parameters are concerned. For instance, the failure rate of banks has been on the increase since 1992 to 2000 (see appendix 1). It was on this prima facie evidence that the CBN acting as a watch dog on banks, decided to increase the capital base of banks so as to "improve their performance".

Techniques for Measuring Bank's Performance

Capital as a scare resource on the basis of which banks tend to be evaluated most often holds the key to the modern approaches towards evaluation of its performance (Nachiket and Maheshiwari). Capital is the corner stone of bank's strength, and it provides a means of responding to opportunity and in most cases, acts as a buffer against uncertainty, unanticipated losses, and in the event of different areas to continue operating whist problems are being resolved (PricewaterhouseCoopers, 1994). Capital has been used as the best parameter for measuring banks' performance and the amount of capital a bank has in its balance sheet determines the soundness and healthiness of the bank and its ability to protect its lenders from the uncertainties of the economy. Banks' performance should be focused on fulfilling the legal obligation towards its lenders. As Nachiket and Maheshwari rightly said, "the first questions a bank needs to ask itself is, how safe would it likes to be?" before deciding the amount of capital it would hold on its balance sheet". Bank's effort on measuring the safety of its lenders deposits have a lot to do in determining their capital base.

A target of internal safety goals as well as maximization of the returns from bank business (from leader's perspectives) must be set by banks as a guide in keeping with its various transactions that it gets itself involved. It is the responsibility of the bank

executives to ensure effective bank management in taking decision on the allocation of bank's capital. The Basle Accord established that 4% of "pure" capital as the minimum a bank should have in relation to its assets. It therefore takes effectiveness and efficiency in bank management through the use of some techniques which serve as building blocks to ensure that this capital is really adequate. Nachiket and Maheshwari enumerated the three techniques as Matched Fund Transfer Pricing Process (MFTP); Risk Quantification Methodologies (RQMS) and Activity Based Costing (ABC). (MFTP) provides clarity on the cost dimension of money; (RQM) provides clarity in the capital dimension in the banks, while ABC helps banks to link their "activities" to the actual costs themselves. As Nachiket and Maheshwari further explained, these three building blocks must be in place for establishment and evaluation of banks performance. Ensuring an effective performance, bank's capital must be able to cover three generic risks which include (i) credit risk (ii) market risk and (iii) operations risk.

Banks' capital must be also effectively allocated in such combination that these three areas of risks will be covered in its business unit. A bank that is performing effectively, should be able to indicate using capital asset ratio whether their capital adequacy has helped them to absorb banks' realized and anticipated losses (risk) and improve their return on capital investment shareholders' value added (SVA) which is usually expressed as a percentage of rate of return over economic capital deployed of Risk Adjusted return on capital (RAROC) (Nachiket & Madeshwari).

Research Methods

In investigating the relationship between capital adequacy and bank's performance in the banking industry in Nigeria, a sample of twenty quoted banks were selected from the Nigerian Stock Exchange Fact Book (2004). Out of these banks, ten can be classified as strong banks while the remaining 10 can be regarded as weak banks.

Research Models

In testing the relationship between capital adequacy and performance in the banking industry in Nigeria, this study specifies that

E =f(CA, TA,

LQ)…….(1)

Where:

E =earnings (profit after tax): a measure of bank performance;

CA = capital adequacy (proxy by shareholder's funds);

TA = total assets; and

LQ =Liquidity (current assets of banks).

Assuming that the relationship above is a linear form, then the functional equation in (1) above can be rewritten as follows:

$E = a_0 + a_1CA + a_2TA + a_3LQ + u$……...(2)

In equation (2) above, u is the error term that captures other variable not explicitly included in the model. Moreover, it is expected that

$a_{0 = \text{intercept}}$

a_1 , a_2 and a_3 are the various slope coefficients on a priori

a_1 , a_2 and $a_{3 > 0}$

In order to achieve the objective of the study, equation (2) above was estimated for weak and strong banks.

Data Presentation

The data used for the analysis include the capital, earnings (profit after tax), total assets and liquidity (current assets) of 20 banks for a period of 4 four years were extracted from the Nigerian stock exchange Fact Book (2004). That is between the periods of 2000 to 2003. See appendix for the detailed figures.

Research Design

To examine the impact of capital adequacy on the performance of Nigerian banks, the regression model represented by equation (2) above was estimated using the ordinary least squares technique. Two regression equations were estimated, one for strong banks and the other for weak banks. In each category, 40 observations were used. These observations cover the period 2000-2003 financial years.

Results

The result obtained for both strong and weak banks using the Ordinary Least Square (OLS) regression method as reported in table 4.1 below. Table 4.1 reports the result obtained when the sample of strong and weak banks were used in the regression. From Table 4.1, the R-squared for the strong banks is 0.33, indicating that only 33 percent of variation in earnings (a measure of performance) is explained by variation in all the variables included in the regression. The low R-squared is not particularly worrisome since this is usually the case when panel data is used in regression analysis.

Table 4.1 Regression Result using Ordinary Least Square Method

Variables	**Large Banks**	**Weak Banks**

C	1096638 (1.4856)	333972.8 (0.99594)
CA	0.045498 (0.69945)	-0.028405 (-0.38524)
TA	O.0010854 (0.34890)	0.0041866 (1.2161)
LQ	0.0010854 (1.1437)	0.0041866 (4.0704)*
R^2	0.33	0.58
R^{-2}	0.26	0.53
SER	1937607	628935.3
F-Statistics	4.257	11.5268
DW-Statistics	2.0210	1.9818

NOTE: CA =CAPITAL, E = EARNINGS, TA =TOTAL ASSETS, AND LQ =LIQUIDITY

Significant at 1 percent level of significance.

The t-test is in parenthesis

The D-W statistic (which is a test for the presence of first order serial correlation) with value 2.01, indicates that the regression result is free from the problem of autocorrelation. The implication of this is that the regression could be relied upon for making valid inference about the impact of capital adequacy on banks performance in Nigeria. Using the sample of strong banks as reported in Table 4.1, the regression result in Table 4.2 and Table 4.3 shows that a positive relationship exist between capital adequacy and earnings. This relationship, is however, statistically insignificant at the 5 percent level. It is also apparent from the regression above that neither total assets nor their level of liquidity determine the performance of large banks in Nigeria.

Table 4.1 also indicates the regression result when a sample of 10 weak banks is used. From this table, the R-squared is as high as approximately 58 percent. This means that the variation in earnings or performance of weak banks is explained by combined factors in the model. The regression result as reported in Table 4.1 for weak banks shows that over 53% systematic variation of earning (performance can be explained by the regressors, this is as indicated by adjusted coefficient of determination. However, when compared with that of the strong bank, the weak bank did better.

Table 4.2: ORDINARY LEAST SQUARES REGRESSION (LARGE BANKS)

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***Dependent variable is E**

40 observations used for estimation from 1 to 40

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*

Regressor	**Coefficient**	**Standard Error**	**T-Ratio[Prob]**
C	1096638	738200.2	1.4856[.146]
CA	.045498	.065048	.69945[.489]
TA	.0010854	.0031109	.34890[.729]
LQ	.0094814	.0082903	1.1437[.260]

****

*

R-Squared .33372 R-Bar-Squared .25533

S.E. of Regression 1937607 F-stat. F(4, 34) 4.2574[.007]

Mean of Dependent Variable 2251956 S.D. of Dependent Variable 2223251

Residual Sum of Squares 1.28E+14 Equation Log-likelihood -617.2648

Akaike Info. Criterion -622.2648 Schwarz Bayesian Criterion -626.4870

DW-statistic 2.0210

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TABLE 4.3 ORDINARY LEAST SQUARES REGRESSION (Weak BANKS)

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*

Dependent variable is E

40 observations used for estimation from 1 to 40

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*

Regressor	Coefficient	Standard Error	T-Ratio[Prob]
C	333972.8	335333.7	.99594[.326]
CA	-.028405	.073733	-.38524[.702]
TA	.0041866	.0034425	1.2161[.232]
LQ	.025680	.0063088	4.0704[.000]

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*

R-Squared	.57557	R-Bar-Squared	.52563
S.E. of Regression	628935.3	F-stat. F(4, 34)	11.5268[.000]
Mean of Dependent Variable	730838.6	S.D. of Dependent Variable	904728.0
Residual Sum of Squares	1.34E+13	Equation Log-likelihood	-573.3827
Akaike Info. Criterion	-578.3827	Schwarz Bayesian Criterion	-582.6049
DW-statistic	1.9818		

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On the basis of the performance of the variables, only one variable appeared to be significant at the 1% level in explaining bank performance which is bank liquidity (LQ). The DW-statistics is quite significant as it ruled out the presence of serial correlation in the model. Overall, this study has found that capital adequacy is not a significant determinant of performance for strong and weak banks in Nigeria. Moreover, the study also reveals that while the level of liquidity is a significant determinant of performance of weak banks, this relationship, though positive has not been significant for strong banks.

Discussion, Conclusion and Recommendations

This study has examined the impact of capital adequacy on banks performance in line with the new capitalization policy. The following findings came to light in the course of the study, the researchers came up with the following findings; (i) it is not enough for banks to hold adequate capital, banks must be ready to identify and assume risky activities commensurate with such capital, and this will help to enhance their performance. (ii)Other factors such as management factor, and environment in which banks operate in Nigeria needs to be given appropriate consideration in order to enhance their performance. (iii) The problem with banks is not actually having or not having capital inadequacy, but the realization of the gaps in their internal measurement and management process. (iv)The strategy of merger and acquisition adopted by banks to meet up the new capitalization policy in line the CBN directives will actually help banks to meet up the rule of capital adequacy.

Conclusion

Bank recapitalization is an economic reform that is meant to restore soundness, stability and efficiency in the banking industry and confer confidence to the banks' depositors. In as much as the new recapitalization exercise will help banks to build strong capital base, efforts should also be made by the apex Bank in formulating strategies to be adopted by banks to ensure that banks' capital is backed up with effective performance. It is therefore not enough for the apex bank to regulate banks' capital; it must devise a means to ensure that financial institutions build up their capacity strong enough to take necessary risks that determine their capital requirement and as well add value to their shareholders.

Recommendations

Based on the results, the researchers hereby make the following recommendations;

(i)For effective performance, each bank should set its own benchmark depending on the desired safety level. Nothing stops the strong banks from setting their capital base beyond the minimum capital base of N25 billion specified by the CBN while the weak or small banks may have their capital base lower than the minimum capital requirement as long as it is in line with their risks exposures. (ii) An initiative approach to forecasting capital position into the future should be applied and numerous scenarios testing should be carried out. The will help banks to understand the underlining processes and dynamism of its industry as well as reliable predictions as regards to its capital needs. (iii) Banks should also be able to establish linkage between risk, behaviour and incentives appropriate for the allocation of capital to engage in value creating activities and stock holding.

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Appendix 1

CBN report with Relation to distress banks, Loss sustained on account of fraud and forgeries and Gross domestic product.

Year	No of distressed banks	Ratio of non-performing loans and advances	Amount required for recapitalization on (N billion)	Total deposit of distressed banks (N billion)	Loss sustained on account of fraud and forgeries (N billion)	Gross domestic product

1990	9	73	2.00	6.40	0.80	90342.1
1991	8	77	2.40	2.60	0.39	94614.1
1992	16	75	5.50	15.90	0.41	97431.1
1993	33	63	13.60	20.80	1.42	100015.2
1994	55	65	23.40	41.60	3.40	101330.0
1995	60	69	30.50	42.60	1.01	103510.0
1996	50	75	43.90	48.00	1.60	107020.0
1997	47	82	42.80	31.20	8.78	110400.0
1998	40	73	39.50	23.10	7.75	112950.0
1999	35	75	27.60	21.90	6.45	116400.0
2000	5	70	12.30	6.23	10.11	120640.0
2001	3	71	9.50	4.20	6.75	125351.0

Sources: Nigerian Deposit Insurance Corporation and Central Bank of Nigeria 2004.

Appendix 2

SAMPLE OF BANKS USED FOR THE STUDY

		STRONG BANKS			
BANK	**YEAR**	**CA**	**E**	**TA**	**LQ**
		N'000	**N'000**	**N'000**	**N'000**
STB	2000	2883248	1175025	40296786	31257615
STB	2001	4303287	1857539	60522125	33260303
STB	2002	6551382	2308755	69945954	39749104
STB	2003	9284000	2472764	91578364	56573993
GTB	2000	3117328	1052593	35597119	8401508
GTB	2001	4123792	1604975	45471565	16683322
GTB	2002	8016492	2187059	65021201	23223202
GTB	2003	9638925	3144182	9052179	31256470
FIRST	2000	15265000	4739000	194744000	135472000
FIRST	2001	18170000	5066000	224007000	151648000
FIRST	2002	19406000	4776000	29059300	203573000

FIRST	2003	27006000	11010000	409083000	312978000
UNION	2000	9825383	692956	158874000	119611333
UNION	2001	10596000	1258929	158874000	190050445
UNION	2002	24768444	1704572	252794667	225270000
UNION	2003	32183481	1831013	328716222	275267000
INTER	2000	3410972	1432810	34146127	19932699
INTER	2001	7434140	1808197	53313744	26814113
INTER	2002	8568459	2000790	64107026	41551328
INTER	2003	32532946	3408960	96857882	98062718
CHART	2000	1286025	86800	18950696	10391611
CHART	2001	1775732	62675	23869598	14589692
CHART	2002	3215594	178305	33015901	17050622
CHART	2003	4241117	370368	444504039	22453225
TRADE	2000	698085	3758000	6729523	2999992
TRADE	2001	774390	5008000	10791864	5575393
TRADE	2002	1665730	5424667	11303712	5760684
TRADE	2003	2065559	6982889	15277822	7059040
HALL	2000	1906726	690974	22751806	5079838
HALL	2001	2588249	1031523	38810562	9019013
HALL	2002	3616374	1133125	44101146	15578912
HALL	2003	4638413	1022040	13447377	10002664
OCEAN	2000	1501099	972040	230924468	16006417
OCEAN	2001	3563933	2062834	31661559	20928857
OCEAN	2002	5155201	2186268	40274806	34298432
OCEAN	2003	7073082	2817881	21525127	43892919
UBA	2000	7336000	100601	7193556	88561000
UBA	2001	9067000	97438	10104012	135544
UBA	2002	10627000	149627	8782058	134138000
UBA	2003	14901000	410063	22709999	124447000

		WEAK BANKS			
BANK	**YEAR**	**CA**	**E**	**TA**	**LQ**
		N'000	**N'000**	**N'000**	**N'000**
WEMA	2000	2314016	251498	188032	12347877
WEMA	2001	2596062	619554	200196	23284626
WEMA	2002	3768119	1481667	203196	24501809
WEMA	2003	7215393	1477775	212024	35015518
EIB	2000	788707	1269000	32321403	3741625
EIB	2001	869491	1566000	53294127	5057435
EIB	2002	1266564	3280000	64978495	3944944
EIB	2003	1895129	4525000	4186482	90698829
UTB	2000	2168856	879492	30097928	13460861
UTB	2001	2780266	1052425	32499700	19039627
UTB	2002	3294829	1142612	32128729	17606288
UTB	2003	3452846	370664	9868652	17332713
INLAND	2000	2017641	118456	13834228	4395967
INLAND	2001	2258667	258065	16646054	6636048
INLAND	2002	2299169	490502	24578922	6685466
INLAND	2003	2444234	295065	8466041	9294206
GULF	2000	973634	358436	13090454	5904855
GULF	2001	1678644	596418	13974754	7957660
GULF	2002	2408976	930332	18856550	7180617
GULF	2003	5535253	779893	12799297	8764243
NAL	2000	2547474	492467	17479878	4506237
NAL	2001	2970413	370038	21467983	5559699
NAL	2002	3012532	39810	24608856	2781772
NAL	2003	3352819	178923	4522675	4506534
MANNY	2000	1130663	302000	5539168	2305970
MANNY	2001	1341885	286222	7446622	2320005
MANNY	2002	1595770	343886	8840453	3618245

MANNY	2003	2803919	167203	13082404	4156174
TRANS	2000	1022754	226228	13135014	7150955
TRANS	2001	1236832	429838	144833311	8193241
TRANS	2002	2227990	423757	19366634	6653046
TRANS	2003	2377160	149169	8434560	9763706
ACCESS	2000	841750	130079	8027957	37504657
ACCESS	2001	919493	77743	11342941	3666360
ACCESS	2002	1943784	-55245	22582040	5464076
ACCESS	2003	2365356	556573	68062000	9542669
AFRI	2000	3529000	-597000	78630500	29385000
AFRI	2001	4554000	1180000	83210000	32259000
AFRI	2002	6268000	1801000	98055000	31148000
AFRI	2003	6969000	988000	6309276	44381000

Source: Nigerian Stock Exchange 2004 Fact Book

NOTE: CA =CAPITAL, E = EARNINGS, TA =TOTAL ASSETS, AND LQ =LIQUIDITY