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Cross Border Banking Liabilities on the Net Interest Income of Quoted Commercial Banks in Nigeria

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Abstract

The purpose of this study is to investigate how cross-border banking liabilities affect the net interest income of Nigerian commercial banks that are listed. Data from the Central Banks of Nigeria statistical bulletin (2012–2021) and the financial statements of 13 mentioned commercial banks were used in the analysis to meet the study's goals. To investigate the link between the independent and dependent variables, several regression models were developed. The relationship between cross-border credit, cross-border claims, cross-border deposits, and cross-border bank branches was used to predict net interest income. Following the models' cross-sectional validity, the findings support the application of the fixed effect model. The F-statistics and probability support the usage of the models, and the Durbin Watson statistics of the variable demonstrate that the coefficients are larger than the top band, demonstrating the lack of negative serial autocorrelation. The study's conclusions showed that variables related to cross-border banking obligations accounted for 60.7% of the commercial banks' net interest income, with other factors accounting for the remaining 95%. The findings show that there is a positive but non-significant correlation between the net interest income of the quoted commercial banks and cross-border banking credits, a positive and non-significant correlation between cross-border banking claims and net interest income of the commercial banks, a positive and significant correlation between cross-border banking deposits and net interest income, and a positive and non-significant correlation between cross-border banking deposits and net interest income of quoted commercial banks during the periods. The study comes to the following conclusions: Does cross-border banking have a significant relationship with net interest income? Does cross-border credit have a significant relationship with net interest income? Does cross-border banking have a significant relationship with net interest income? Does cross-border banking branches have a significant relationship with net interest income of quoted commercial banks in Nigeria? In order to boost the net interest income of Nigerian commercial banks that are quoted, the study suggests that policies such banking sector internationalization be developed to improve cross-border banking among Nigerian commercial banks.

Keywords: *Cross Border, Banking Liabilities, Net Interest Income, Commercial Banks, Nigeria.*

INTRODUCTION

Over the past 20 years, Pan African Banks (PAB) have expanded rapidly throughout Africa. Large multinational financial institutions of African origin, PABs have a substantial presence and reach throughout the African continent, meaning they transcend national boundaries. By opening at least one branch or subsidiary abroad, many banks have increased their operations and visibility outside of their home nations; this is known as cross-border banking (CBB). Cross-border banking refers to any financial transactions or agreements that take place across national borders, as well as the conduct of banking operations beyond national borders (Ajayi, 2014). The money market and the capital market are the two main facets of the banking industry's operations, which often involve financial transactions or agreements made inside national borders. The capital market is where longer-term funds and securities with tenures longer than a year are found, whereas the money market is where short-term funds and securities, such as treasury bills, one-year treasury paper, commercial and merchant bank savings and investment notes, and other funds of less than a year, are found. These consist of industrial loans and debentures, long-term loans, mortgage bonds, preference stocks, common shares, and Federal Government bonds (sometimes referred to as Gilt-edged securities or Eligible Development Stocks) (Osaze, 2007; Lucky, 2018). Since local banks in Nigeria now have to contend with competition from both national and African banks, the emergence of mega banks appears to have brought about new dynamics to the banking sector in West Africa (Leon, 2015).

Following Nigeria's economic liberalization and financial market globalization in the 1980s, the nation has been going through a continuous process of political and economic unification. Initially suggested by trade and investment treaties, free movement of capital, labor, goods, and services across borders was meant to promote inflow and outflow of financial activities. The design and establishment of a shared financial market, which promotes new business prospects, improves efficiency, and lowers transaction costs for the participating companies, has been a significant component of this development (Thorsten, Michael, Dorothe, and Makoio, 2014).Improvements in communication and information technology, new product developments, and ongoing deregulation by governments and policymakers have all contributed to this internationalization process (Berger et al., 2000; Lozano-Vivas et al., 2011). Globalization has also led to the emergence and continuous expansion of multinational banking firms with branches and subsidiaries across numerous nations. The size of the banking system has increased significantly, and it is now more vulnerable to global monetary shocks.

Nigeria's Central Bank was legally authorized to create a structure that adheres to the Basel Core Principles for cross-border entity supervision. The process for carrying out risk-based supervision of Nigerian banks' cross-border operations is outlined in this framework. In order to protect the stability and soundness of the financial system, it is intended to improve the oversight of global banking groups and enable efficient macroprudential supervision of banks (Asira, 2013). Increased financial product innovation, financial intermediation regulatory reforms, market liberalization, business globalization, and the importance of e-commerce in business through enhanced business technology all have an impact on the growth of banking through cross-border trade worldwide. Through the documentation of globalization trends, the performance of cross-border trade, and the estimation of the volume of transactions of acquired financial institutions by banks in developed work, either in partial stakes or fully in emerging markets, especially in developing countries, Smith and Walter (1998) highlighted these factors.

From a conceptual standpoint, cross-border banking liabilities are international connections made possible by cross-border financial transfers between nations. Cross-border credit, cross-border receivables, cross-border claims, and investment can all be considered (Akani, 2019). Cross-border banking has the potential to increase bank investment outside of the home market. By facilitating the transmission of financial services across countries and supporting large capital transfers, cross-border banking helps to advance regional economic integration. A vast array of universal banking services, including investment banking, securities underwriting, insurance/brokerage services, real estate/mortgage, and infrastructure financing, are moved from affluent nations to a broader business community, particularly to growing African nations. Banks now have more money to grow and gain market share internationally thanks to their increasing capitalization (Cengage Learning, Baronchelli & Cassia, 2008).

In developing nations like Nigeria, cross-border banking has also resulted in the transfer of financial expertise, technology, and skills. In the financial services industry, cross-border banking increases competitiveness and promotes best practices, such as better payment systems (Buch, Koetter, and Koch, 2010; Akani & Lucky, 2018). Stress testing and evaluation exercises on Nigerian deposit money banks are being conducted continuously and steadily as a result of cross-border regulatory cooperation and harmonization with other jurisdictions where Nigerian banks are present. However, there is a hidden cost to cross-border activities since different countries have distinct characteristics. Some are large and industrialized, while others are primarily rural and impoverished. In addition to dealing with linguistic differences, businesses must operate in dozens of markets, each of which has its own set of regulations. The different nations don't have a unified foreign policy. As a wholesale organization, a bank that operates in multiple countries, each with its own set of norms and regulations, may introduce some degree of interoperability issues. Different countries have different standards for capital adequacy; if new laws are passed, one of its subsidiaries would have to recapitalize, making some cash-rich while others need new funding.

Deposit money banks are expanding internationally for a variety of reasons, such as greater profitability prospects, improved competitiveness and financial efficiency, financial outreach and deepening, and stability. According to Cull and Beck (2013), apparent prospects for growth through cross-border banking frequently do not come to pass as has happened in banks from industrialized countries, possibly as a result of geographic disparities and other considerations. Akani (2019) was of the view that prior to the consolidation programme, few Nigerian banks established presence in other countries both within and outside Africa. The banks which had branches and subsidiaries outside Nigeria included First Bank of Nigeria (UK, South Africa representative office), Union Bank (UK, South Africa), UBA (New York, Cayman Islands), Afribank Nigeria Plc (Dublin). However, following the consolidation programme conducted between July 2004 and December 2005, the number of foreign branches/subsidiaries of Nigerian banks grew exponentially. This was because Nigerian banks became bigger and developed higher appetite for international expansion, particularly within the West Africa sub region, as well as Europe, Asia and America. As at 2014, Nigerian banks had already registered their presence in almost 30 countries around the world, with a total of 62 branches/subsidiaries. As shown below, Eleven (11) Nigerian banks had either a branch or subsidiaries across a total of thirty (30) countries. As at June 2014, Access Bank had a total of (7) subsidiaries across the globe, Mainstream Bank had (1) subsidiary in Europe while Diamond Bank had a total of five (5) within Europe and Africa. The FCMB Plc. had one (1) subsidiary, while First Bank Nig Plc. had a total of seven (7) subsidiaries which cut across Europe and Africa.

Policymakers in developing nations have long been concerned about the relationship between the global financial environments since it directly affects the financial sector of the economy. Nigeria's economy, like that of other emerging nations, is inextricably linked to the influence of international communities. Cross-border banking's impact on emerging market financial institutions can be linked to the 1960s Breton Wood monetary crisis. The issue of cross-border banking was given a lot of attention during the 1980s debate about how the global monetary system should operate, as seen by the several reviews of the global monetary fund. For example, the world monetary crisis of 1971, which resulted in the devaluation of Nigerian currency in 1973, had an impact on the Nigerian banking sector. The global monetary environment is thought to be too harsh for effective and efficient management of Nigerian cross-border banking for the improvement of Nigerian financial market. In order to handle Nigerian financial assets effectively, the Nigerian government has implemented financial sector reforms over the years and integrated financial institutions into the international financial market. For example, following the consolidation reforms, 14 Nigerian Deposit Money Banks were chosen to oversee the country's foreign reserve. There is still a lack of information regarding how these policies impact quoted commercial banks' net interest income through the cross-border banking process because other research on the factors influencing commercial banks' profitability has focused on domestic factors (Kuivalainen and Sundavist, 2008; Mulatya, 2012; Petersen and Marquart, 2013). Thus, this study looked at how cross-border banking obligations affected the net interest revenue of Nigerian commercial banks that were listed.

LITERATURE REVIEW

Cross Boarder Banking

Global connections made possible by cross-border financial movements are referred to as cross-border banking. This has grown in significance as globalization—a process of integrating international economies—becomes a reality and is made possible by the exchange of ideas, goods, services, worldviews, and other cultural elements. Furthermore, the integration of global economies into a single village has improved because to developments in communication and transportation. As emerging markets integrate financially with the rest of the globe, the issue of cross-border banking has grown in importance. Cross-border capital flows, financial institution globalization, and financial market globalization are some examples of the various types of cross-border transactions. Caruana (2007) referred to the extent of cross-border capital movement as a "revolution."

Since cross-border banking is still relatively new in Nigeria, many works of literature give it meanings that are appropriate for their operational needs. Twarowska and Kakol (2013) view it as a (business) strategy, Reiche (2016) views it as a result of globalization, Drogendijk and Hadjikhani (2008) view it as the internationalization of banks, and Massand and Gopalakrishna (2016) view it as the internationalization of banks. The liberalization of financial systems and the creation of global institutions like the World Trade Organization (WTO) and International Monetary Fund (IMF) are among the (accepted) explanations provided by Massand and Gopalakrishna (2016) for why foreign banks have been established (Kim & Pant, 2010; Gormely, 2010 in Massand & Gopalakrishna, 2016). Cross-border banking, according to Ajayi (2014), is the practice of conducting banking operations across national borders. When financial transactions or agreements take place across national borders, such as bank mergers, letters of credit, cross-border loan agreements, bankers' acceptances, and so forth, this might be considered to exist. A deposit money bank that has a commercial presence outside of its home country through at least one branch or subsidiary is referred to as cross-border banking (Beck et al, 2014). This could involve integrating the bank's financial operations across national borders or listing the stocks of such banks in the nations where they conduct cross-border business (Ajayi, 2014). Even though the literature on cross-border banking defines this type of activity in a variety of ways, including international banking, cross-border mergers and acquisitions, multinational banking, global banking, and so forth, they all seem to agree that it is a strategy for expansion with the ultimate goal of maximizing shareholder wealth through cost minimization and revenue maximization.

Cross-Border Mergers refers to the integration of banks or financial institutions across national borders. Cross border mergers may include a bank acquiring another bank or their merging together (M&A). The Nigerian banking system is yet to be fully integrated into the cross border mergers of financial institutions. This is because domestic bank mergers is common in Nigeria rather than across the border mergers & acquisitions. This indicates that there are other factors that contribute to the wide spread cross border consolidation of bigger foreign banks than the home banks. Berger, De Young, and Udell (2001) are of the opinion that the factor that limits the expansion of cross-border M&A in the banking sectors is the efficiency barriers. This is the dissimilarities in banking regulations and supervision across different countries, which also results in additional costs on the foreign banks (differences in regulations).

Cross Boarder Credit

Credit is a financial market activity where financial institutions extend credit to deficit economic units to meet their financing needs. Cross boarder credit refers to commercial banks credits across national borders. Banks, which are willing and able to expand into foreign countries, are usually efficient in their operations, sustain against competition, and possess a healthy organizational structure. These characteristics are likely to be transferred to the acquired foreign company. Accordingly, domestic banks need to adapt to the more dynamic business environment in order to remain. As a result, a higher market share of foreign-owned banks can increase the overall efficiency and competitiveness of the national banking industry and, additionally, spill over to other industrial branches (Baudino et al., 2004). Specific components leading to higher efficiency include specialized know-how, technology, and corporate governance mechanisms. The development of an enhanced financial sector can also be accomplished without foreign influence, but the support with financial and human capital accelerates this process significantly (Barisitz, 2005). Especially in the field of risk management, foreign banks have established important techniques and improvements in the CEE region (Domanski, 2005).

Cross boarder Credit Allocation

Besides the increase of efficiency, foreign banks have also contributed to a steady increase of bank lending to domestic customers. After a period of recession in the 1990s, lending recovered in the CEE countries with the help of fresh money provided by multinational banks. Foreign institutions had the advantage to collect capital on better terms than their domestic competitors. The comprehensive expansion of credit contradicts the assumption that foreign banks could be “cherry-picking” by granting loans only to a handful of promising customers (Cardenas et al., 2003; Domanski, 2005). However, it was in general more complicated and more costly to grant credit to small and medium-sized enterprises, as opposed to household clients, because standard evaluation approaches could not be applied to these specific customers. Additionally, missing legal and accounting standards have exacerbated the process of lending even more. This was not only an issue for foreign banks but also concerned domestic institutions to the same extent. Furthermore, the rapid expansion of lending raised concerns whether all of the issued loans in emerging Europe have been screened carefully enough, in order to withstand periods of economic downturn (Barisitz, 2005; Domanski, 2005; CGFS, 2005).

Net Interest Income

The difference between the interest revenue produced by banks and other financial institutions and the interest paid to their lenders (such as deposits) in relation to the total value of their (interest-earning) assets is known as net interest income. The primary factor influencing the profitability and financial expansion of commercial banks is the net interest margin. Since deposit mobilization and lending are commercial banks' primary operations, the difference between borrowing and lending rates serves as the catalyst for profitability. The interest revenue after interest expenses is shown by the Net Interest revenue (NII) to interest income ratio. Since client deposits are the commercial bank's primary source of funding and loans and advances are its primary application, interest paid on deposits and interest earned on loans and advances are the results of these activities. The profitability, liquidity, and solvency of commercial banks are determined by net interest income, which is the difference between these interest expenses and interest earnings. Naturally, commercial banks investigate different fee-based service options with advanced technology and creative new products, but lending activities remain account for a significant portion of their earnings.

Kasman et al. (2010) state that paying attention to the bank's net interest margin is beneficial. Because bank net interest margins contain vital information regarding the effectiveness of banking systems, their examination is essential. He (2018) discovered that the commercial bank's profitability is positively impacted by the net interest spread. According to Said and Tumin (2011), prior research has shown a favorable correlation between interest rates and bank profitability. Net interest margin is the primary source of income and profit for commercial banks. The bank's effectiveness in its primary business operations, which are lending and deposit mobilization, is reflected in the net interest margin. Commercial banks continue to investigate a range of additional fee-based services in addition to their primary functions of lending and deposit mobilization. Nonetheless, the commercial banks' revenue structure is dominated by the interest revenue section.

The Nigeria Experience in Cross border banking

Globalization and the Central Bank's shift in capital base policy are the two main causes of Nigeria's experience. The minimum capital requirement was significantly raised by the Central Bank of Nigeria (CBN) from two billion naira (about USD 14 million) at the end of 2004 to twenty-five billion naira (around USD 180 million) by the end of 2005. This was done to encourage consolidation and change the banking system from being controlled by a large number of small, comparatively unstable banks to being controlled by a much smaller number of larger, more stable lenders. Within a year, the number of licensed commercial banks dropped from eighty-nine (89) to twenty-five (25) as a result of a wave of mergers and acquisitions. The remaining banks increased their capital by a significant amount; some of them reached capital levels of more than 100 billion naira, which is four times the minimum amount that was mandated (Alade, 2014).

However, by pledging to allow banks with more than 100 billion naira in equity to handle Nigeria's foreign reserves, the CBN followed the trend and promoted this development (Berg et al., 2012 in Alade, 2014).The Nigerian banks jumped at the chance and used their funds to finance a rapid expansion of their loan portfolios. These banks began opening subsidiaries in other African nations thanks to their robust capital bases. Currently, Citibank, Ecobank, Stanbic IBTC, Standard Chartered, and Nedbank are the five foreign-owned banks in the nation. As a result, Nigeria's financial sector at the time had significantly more Nigerian banks operating branches in other African nations than foreign banks operating in the country's own market.

One of the main forces for the aggressive expansion of Nigerian banks throughout the area was the pursuit of yield, which was fueled by the substantial quantity of excess capital that was accessible in the home banking system. Yield was only one of many consequences as the bank's aggressive regional expansion was driven by the need to maximize profit and the worth of shareholders' capital. Furthermore, based on the idea that there are substantial prospects to finance commerce between these nations and that banking systems in many African nations are still less developed and capitalized than those in Nigeria. Nigerian banks saw a chance to provide services in these markets, where returns are anticipated to be at least as high as those in Nigeria, by utilizing their success, experience, and technological platform.

Factors Influencing Cross Border Banking

There are numerous reasons why cross-border banking has grown so quickly among African banks. The pursuit of commercial prospects overseas, typically by the bank following its larger corporate clients to such nations, can be considered the primary motivation. These are known as the push and pull factors in the jargon of economics. The elements that draw banks away from their native surroundings and into unfamiliar ones are known as pull factors. In other words, pull factors are the anticipated advantages that entice a bank to enter a specific foreign market. The vast population or language could be the cause of this. On the other hand, push factors are those domestic conditions that provide an explanation for banks' decisions to expand internationally; in other words, they are what motivate them to do so. The main ones are strict regulations and dwindling possibilities in the home jurisdiction (IMF, 2015). Declining or reduced profit opportunities in the home economy, particularly in comparison to those in possible host markets, are one of the most effective push factors for banks (particularly African banks) to expand outside of their home markets. South African banks expanded internationally when apartheid ended because it allowed them to access investment opportunities that they had previously been denied due to their apartheid status. Thus, expansion enabled them to take advantage of the size and strength of the South African market.

Learning Perspective

The Model of Uppsala The 1970s saw the completion of the first studies on internationalization that offered actual data from real-world applications. One noteworthy study is that of Johanson and Vahlne (1977), who focused on the Uppsala Model, sometimes known as the stage model, in their seminal work on comprehending internationalization. The model is based on the companies' gradual progress toward full internationalization status. As the knowledge base grows, these phases show a steady, dynamic, and incremental approach. The four phases are separate, albeit they occasionally overlap. The first is (1) a localized period in which the business is establishing itself in the domestic market and does not export, followed by (2) a spontaneous phase in which exports are occasionally made through an agency. Before announcing (4) its overall presence through production and operations in overseas markets, the corporate entity (3) subsequently creates a sales subsidiary. However, greater market commitment is required to support each level (Hollensen, 2011). According to Hollensen (2008), the learning perspective lens predicts that business entities would internationalize by focusing on areas they can easily comprehend before expanding into far-off regions.

The psychological distance between the home country and the host country typically determines this type of decision. According to Vahlne and Johansen (2009), markets that resemble the home market in terms of cultural values, education, industrial development partners, and business practices exhibit characteristics of low psychic distance and are typically chosen as the first market destinations. These business entities then progressively expand their international or export presence to destination markets deemed to be of higher psychic distance later. According to Vahlne and Johansan (1977), the process of internationalizing a business function is gradual in nature and is caused by the inability or difficulty of gathering business information and market data. Since this precludes a one-time activity, the incremental internationalization process is directly responsible for knowledge gaps (Johanson and Wiedersheim-Paul, 1975).

Inter-Organizational Perspective

The network-oriented way of thinking that normal market models lack since they are unrelated to one another is the distinctive feature of the inter-organization perspective. Coordination occurs both within and through the network because the enterprises in this model are interconnected and reliant on one another (Mattsson and Johanson, 1988 in Petersen & Marquart, 2013). One of the component elements of this coordination between the firms is a standardized price. Technical, legal, and economic ties are some of the features of a network. Enhancing such corporate ties heavily relies on interpersonal relationships. The majority of businesses participate in these networks as a synergistic approach to boost competitiveness and reduce the risks connected with customized plans. In this network approach, the unit of study is the variety of connections made and how they benefit various business groupings.

Strategic Competition Perspective

The traditional economic theories of industrial economics and competitiveness serve as the foundation for the strategic competition approach (Porter, 1985). Theorists attempting to expand on Porter's processes have promoted a competitive perspective on internationalization. According to this thesis, an organization's internal and external competitive considerations drive internationalization (Porter, 1985; 1980). Focusing on regional and international competitiveness, obstacles to entrance, rivals, the company's strategic orientation, and administrative legacy are some of the issues (Ghoshal & Bartlett, 1990). The interaction of internal and external factors informs banks' global operations. Businesses that choose to expand internationally must be aware of the factors that influence costs, competition, government regulations, and client preferences. The mother of invention is need; as a result of globalization and technical advancement, consumers over the world choose standardized products (Levitt, 1983). The internationalization process would be accelerated by the type of demand shown for specific goods that are only available in other regions.

Institutional Economic Perspective

The transaction-cost theory (Coase, 1937), which claimed that a company's continuous growth reaches an optimum when internal transaction costs equal the cost of the same transaction on the market (Petersen and Marquart, 2013), has been heavily referenced in the institutional economic perspective on internationalization (Hymer, 1976). According to this school of thought, decisions about vertical integration are made based on transaction costs (Petersen and Marquart, 2013). Ex-ante and ex-post charges are simply added together to form these transaction costs. Ex-ante costs often include contracting costs related to the facilitation of the contractual procedure and search costs (for locating a trading partner or middleman on the market and other costs like for obtaining market data). However, expost-costs include expenses incurred while establishing operations in a foreign country following a contract, as well as additional costs associated with monitoring and enforcement for those who fail to fulfill their obligations (Hollensen, 2011). The fundamental idea here is why businesses internalize globally rather of assigning the work to the market. Therefore, the institutional economic approach concentrates on providing insights into choices made by commercial entities that rely on transaction costs for their internationalization, externalization, and entry strategies. Business internationalization initiatives and entry strategies into foreign markets are determined by transaction costs (Hollensen, 2011).

Empirical Review

The impact of foreign liquidity conduits on the profitability of Nigerian quoted commercial banks was investigated by Akani and Justice (2021). Examining how the international liquidity channel influences the profitability of commercial banks was the goal. While monetary policy channels were proxied by the percentage of net foreign assets, financial market channels by the percentage of net foreign portfolio investment, international trade channels by the percentage of Nigerian terms of trade, capital mobility channels by the percentage of net foreign direct investment, and currency channels by the exchange rate between the Nigerian naira and the US dollar, return on equity was used as the dependent variable. The Central Banks of Nigeria statistical bulletin provided the international liquidity variables, while the commercial banks' financial reports provided the panel data for return on equity. The data was analyzed using ordinary least squares techniques. According to the study, the factors in the equation account for 50.3% of the volatility in the commercial banks' return on equity. The return on equity of commercial banks is positively impacted by the financial market and capital mobility channels, while it is negatively impacted by the monetary policy, international trade, and currency channels. According to the report, the Central Bank of Nigeria should implement a suitable macroprudential framework to allow Nigerian banks to operate globally in terms of solvency and liquidity. To prevent its detrimental impact on the economy and financial sector, the declining naira exchange rate should be incorporated into macroeconomic and monetary policies. To improve the soundness of the Nigerian banking system, the regulatory bodies and bank management should develop strategies to handle global financial crises, international monetary shocks, and the international financial environment.

The impact of cross-border banking on the expansion of deposit money banks in Nigeria was investigated by Akani (2019). The goal was to investigate the connection between Nigerian deposit money institutions and cross-border banking. The Central Bank of Nigeria's statistical bulletin served as the source of the time series data. Cross-border credit, cross-border banking claims, cross-border banking assets, cross-border banking liabilities, and cross-border bank branches were used to model the growth of Nigerian deposit money banks. The data was analyzed using the ordinary least squares approach. The results indicate that while cross-border bank credit and cross-border banking claims have a negative impact on the growth of Nigerian deposit money banks, cross-border bank branches, cross-border banking liabilities, and cross-border banking assets have a positive relationship with that growth. According to the study's findings, cross-border banking has a moderate impact on Nigerian deposit money banks. To ensure that cross-border banking has a beneficial effect on the expansion of Nigerian deposit money banks, we advise that international financial policies, such as cross-border banking, be developed by regulatory bodies and deposit money bank management.

Ajay and Gopalakrishna (2016) examined the impact of bank internationalization on Indian economy. Specifically, they investigated the impact of the presence of foreign banks (foreign banks‘ penetration) on the performance of domestic banks‘ businesses in India as well as the impact of foreign direct investment into Indian domestic banks. The study used secondary financial data by forming a panel data set of 44 Indian commercial banks for the period of 1999 to 2014. With the aid of graphs and multivariate analyses, they found a positive effect of bank internationalization on the performance of domestic commercial banks in India. This implies that the presence of foreign banks make Indian commercial banks more profitable and also improves asset quality of Indian commercial banks.

Akin and Bayyurt (2016) examines the performance of cross-border foreign banks in relation to their mode of entry in foreign countries. The study focused on Turkish banking industry. The used secondary data from 2002 to 2013 as extracted from the websites of the banks association. The used profitability and relative efficiencies to measure the performance of banks, while employing the Tobit and multivariate regressions to detect the performance differentials between the banks groups (i.e. cross-border and takeover banks). Their finding reveals that cross-border banks have superior performance over the takeover banks in terms of only profitability. However, their mode of entry (either merger or takeover) does not have a statistically significant effect on efficiency. They also showed evidence that there are no efficiency or profitability gains for takeover banks after acquisition.

Ashamu and Abiola(2012) analyzed the impact of global financial crisis on banking sector in Nigeria, the study revealed that the financial crisis has caused depression of the Nigerian capital market and drop in the quality of part of the credit extended by banks for trading in the capital market, exchange rate risk tightening of liquidity, greater loan-loss provisioning, slower growth rate of banks' balance sheet in response to the crisis and higher provisioning leading to lower profitability among others. Along the same line Kitoyta (2009) revealed that: The crisis also had little impact on the Sub-Saharan African financial systems because the financial sector in Africa remains shallow, uncompetitive and weakly integrated into the global markets. Despite the fact that money, currencies, and capital markets had the significant pressures by the crisis, they have continued to function normally, and financial institutions in most countries have been stable without emergency support from monetary authorities.

Awolusi and Onikoyi (2014) investigated how the performance of multinational Nigerian manufacturing companies was affected by cross-border mergers. They used questionnaires as part of a survey methodology. 462 senior and managerial employees of 13 Nigerian manufacturing companies listed on the Nigerian stock exchange comprised their sample. They used regression analysis and factor analysis to analyze the data. According to their findings, Nigerian manufacturing companies engaged in cross-border mergers and acquisitions performed better internationally when they had strategic reasons for doing so. Berger and Bouwman (2010) looked at how pre-crisis bank capital levels affected banks' market shares, profitability, and ability to weather financial crises. According to their findings, banks of all sizes benefit from capital during financial crises; larger capital increases a bank's likelihood of surviving, market share, and profitability. Others investigated the actual impacts on bank performance of declining competition or bank health during the financial crisis.

Brei and Peter (2017) looked at the impact of trade and banking distance between trading nations between 1980 and 2012. To illustrate the shortfall variations over time, they explicitly calculated the impact of cross-border distance in comparison to domestic (internal) distance. Historical data taken from online worldwide banking databases was used in the study. They used a number of statistical tests, including the Poisson pseudo-maximum likelihood (PPML) technique, the OLS, and the panel fixed effect model estimate. When comparing cross-border positions with local banking, they discovered that the distance impact in global banking is irrelevant. Nonetheless, they come to the conclusion that distance still plays a significant influence in commerce. Bruno and Shin (2014) looked at the impact of international banking on the host countries' liquidity. Their panel study's sample was restricted to secondary data from 46 nations, including both industrialized and emerging/developing nations. Determining if foreign (cross-border) banks have a large economic impact on the nation's financial system is their main goal. The panel regression model was used in the investigation. Their research indicates that global causes explain a significant portion of the variation in stability, but local influences only explain a small portion. This suggests that cross-border banking plays a major role in the stability of host economies.

An empirical evaluation of the key elements affecting Nigerian service companies' internationalization was carried out by Dele (2012). In particular, he looked at the relationship between the Critical Influencing Factors (CIFs) and Perceived International Business Performance Measure (PIBPM) and the CIFs of internationalization by Nigerian service firms. A total of 567 management personnel from 15 Nigerian service companies with global operations were chosen for the study's survey approach from a business-to-business database kept up to date by a national list provider. Regression analysis, factor analysis, and reliability and validity analysis were the three main patterns of analysis he used. International business performance can be positively impacted by successful international entry decisions, as he discovered that internationalization considerably improves international business performance overall. Additionally, he discovered a strong positive correlation between business performance and company (firm) size.

Dietrich and Wanzenried (2011) investigated the effects of macroeconomic, industry-specific, and bank-specific factors on Swiss commercial banks' profitability between 1999 and 2009. Their findings offer some proof that banks' profitability was significantly impacted by the financial crisis. A shortage of short-term liquidity is starting to affect financial institutions in developing nations as non-deposit funding dries up and retail deposits leave. Asset quality in the financial sector will be impacted if the global crisis worsens, necessitating financial institution recapitalization. Lack of liquidity will also highlight underlying flaws in financial institution management and regulatory frameworks, necessitating capacity building and regulatory reforms. The real sector is being increasingly impacted by tight credit markets in emerging nations, particularly those that depend on working capital and trade financing (World Bank, 2008).

Before and after the global financial crises, Emter, Schmitz, and Tirpak (2017) investigated the prevalence of cross-border banking in the EU. The study found that cross-border baking had significantly increased before the financial crises and had sharply decreased afterward. They specifically concentrated on determining the structural causes of the shifts in EU cross-border banking between the pre-crisis (2005–2007) and post-crisis (2013–2015) eras. High non-performing loans in source countries were identified as a significant barrier to cross-border banking inside the EU following the financial crisis using a multiple regression model via OLS estimation. Their findings also demonstrate a substantial correlation between a reduction in lending to the foreign non-bank sector and the strictness of macroprudential policies in the countries of origin. They also discover evidence that cross-border lending to the non-bank sector is pushed by bank levies and poorer institutional quality in the countries of origin.

Kilic (2011) investigated Turkish banking industry performance and cross-border bank acquisitions. To ascertain the impact of cross-border bank acquisitions between 2002 and 2009, he specifically examined the banking industry's performance in Turkey. The study used a non-parametric secondary data approach called DEA (Data Envelopment Analysis). The results indicate that there was no discernible impact of cross-border bank acquisitions on banking performance. He draws the conclusion that, in addition to cross-border acquisitions, there were other factors that contributed to the banking industry's improved performance over those years (2003–2009).

Kodongo (2016) looked into the factors that influence banks in East Africa to expand internationally. The Poisson quasi-maximum likelihood (QML) estimator is used to verify for robustness, and the Poisson regression model is used to span the years 2002–2012. Kenya and the host nations of Rwanda, Tanzania, and Uganda in East Africa provided the data. The results show that the follow-the-client theory is not very prevalent in the banking industry in East Africa. Additionally, there is little evidence that banks with comparatively weaker market power are expanding overseas in order to withstand the competitive pressures imposed by relatively larger, possibly more efficient banks in the domestic market. This suggests that banks' regionalization decisions are not driven by a desire for higher earnings.

Leon (2016) investigated the impact on bank competition of the growth of regional cross-border banking in Africa. He specifically looked at how the arrival of African cross-border banks over the past ten years (mid-2000s to 2015) has changed competitiveness in the banking sector of seven African nations. The study used secondary data from the yearly revenue statements and balance sheets of individual banks that were published in the annual reports of the Banking Commission. Multivariate analysis and the Panzar-Rosse H-statistic were used to analyze the data. The findings indicate that competition in the banking industry increased in the middle of the 2000s, which is when regional cross-border banks in Africa began to rapidly expand. This suggests that the growth of regional cross-border banks has improved stability, efficiency, and competitiveness in Africa's banking industries.

Li (2011) investigated how Chinese commercial banks' efficiency was affected by the admission of foreign banks. Four (4) state-owned commercial banks, ten (10) joint-stock banks, and six (6) city commercial banks were among the twenty banks whose secondary data they chose as a sample. The data for all 20 banks was comprehensive and accessible during their sample period, which ran from 1999 to 2009. The sample data, which was obtained from the Bankscope database and the Almanac of China's Finance and Banking, contains 220 observed values. They used Frontier 4.1 software to perform descriptive and balanced panel data regression. Her findings revealed a U-shaped relationship between the efficiency of domestic banks and the market share of foreign banks; that is, efficiency does not rise much in the early stages of foreign bank entry, even declines somewhat, and starts to rise once foreign banks' market share reaches a particular level. She also discovered that the efficiency of domestic banks is improved when foreign banks own shares in them. A study titled "Are Foreign Banks More Profitable than Domestic Banks? The Home and Host-Country Effects of Banking Market Structure, Governance, and Supervision" was carried out by Chen and Liao (2011). During the years 1992–2006, they explicitly studied (empirically) the different effects of home and host country characteristics on international banks from 70 countries. Additionally, they identified the cross-country determinants of bank profitability in domestic versus foreign banks with regard to bank characteristics, macroeconomic environment, country risk, banking regulation, and supervision across countries. Additionally, the paper examined the combined effects of host and home country differences in macroeconomic conditions and institutions on foreign banks. They discovered that international banks are more lucrative than local banks in the nations with less competitive banking sectors using a balanced panel of banks from 70 countries between 1992 and 2006.

Li, Xu, and Yuan (2015) investigated how foreign bank entry affected China's banking industry. They specifically used qualitative and quantitative analyses to look at the effects of foreign financial institutions spilling over into China's banking industry through three channels: competition, personnel turnover, and foreign strategic investment. The 26 Chinese banks that received foreign strategic investment between 2001 and 2008 were the subject of the sample. Using OLS regression analysis to compare the performance of Chinese banks before and after foreign strategic investment, they discovered that while foreign strategic investment did help Chinese banks, the effects of strategic investment were not very clear. Although personnel mobility from Chinese banks to foreign banks benefits foreign banks more, employee churn allows Chinese banks to learn from overseas banks. Foreign banks are allowed to operate in China's banking sector, but their expansion is limited, and the consequences of competition are not particularly evident.

Achimugu, Yunusa, and Samson (2015) investigated how Nigerian banking operations were impacted by cross-border (globalization) banking. They investigated data from secondary sources with an emphasis on economic factors like profitability, gross domestic product, and foreign direct investment, and they restricted their investigation to Zenith Bank Nigeria PLC. With the help of SPSS, they carried out the analysis using the regression tool. Their findings demonstrated how cross-border operations and globalization had unified and enhanced Nigerian banks' operational efficiency.

Luo, Dong, Armitage, and Hou (2015) investigated how foreign bank entry affected China's domestic banking industry. To measure bank-level exposure to competition from foreign banks in terms of geographic closeness, they devised a foreign bank branch networks index (FBBNI). The index accounts for China's rapidly growing branch networks of domestic and international banks. Data from a sample of three different kinds of Chinese commercial banks between 2002 and 2011 served as the basis for their investigation. In line with knowledge transfer from international banks, they discovered through the use of descriptive and inferential statistics that exposure to foreign bank branch networks is linked to increased non-interest income, increased efficiency, and better profitability at domestic banks.

The effect of foreign bank penetration on the performance of Indian local banks was examined by Massand and Gopalakrishna (2016). A panel data collection of 44 Indian commercial banks covering the years 1999–2014 was created in order to perform a correlation study on the financial data. The performance of domestic commercial banks in India is positively impacted by bank internationalization, according to the findings, and foreign banks foster healthy competition in the market. Additionally, despite decreasing profits, foreign banks' operations encourage commercial banks to become more profitable, lower expenses, and enhance the quality of Indian commercial banks' assets. Therefore, competition from foreign banks should be promoted in India in order to reap more of these benefits.

A study on foreign participation and banking competitiveness was carried out by Mulyaningsih, Daly, and Miranti (2015), with particular emphasis on the banking sector in Indonesia. They especially looked at how local and international banks behaved in terms of competition, as well as how foreign banks' entry strategies—such as acquiring local banks or starting new ones—affected competition. They contended that because foreign banks act more competitively than domestic banks, their penetration is crucial to establishing a market that is contestable. They discovered that, on average, foreign de novo banks were smaller, more efficient, and had lower overhead expenses in terms of assets, allowing them to offer lower lending rates and disburse more loans, using a chosen sample of Indonesian banks in a descriptive analysis. More specifically, they discovered that by 2010, international banks had taken 45% of Indonesia's banking sector due to greater competition.

The domestic and international mega-M&As of European commercial banks that took place between 1997 and 2007 were examined by Nnadi and Tanna (2010). They used a sample of 62 bank mega-mergers with transaction values exceeding £1 billion to differentiate between domestic and cross-border deals. To find the abnormal returns to shareholders, they used an event study approach with a market model and a 100-day estimating timeframe. According to their findings, cross-border bank mergers have increased recently, which is consistent with the EU's expanding trend of banking sector consolidation. However, domestic deals have somewhat positive but negligible returns, but cross-border mergers produced considerable negative returns. Excess returns are shown to be mostly influenced by acquiring banks' capital strength and operational cost effectiveness.

The lending practices of two international channels—internationally borrowing domestic banks and foreign banks—were examined by Ongena et al. (2012) between 2005 and 2009. The dataset includes 43,847 businesses and 238 institutions spread across Eastern European and Near Asian nations. These nations were picked by the writers because, despite not being directly impacted by the financial crisis, they had close ties to the western banking system. The stated research, which have identified a detrimental influence of foreign banks on local lending during the crisis, are consistent with the scientific paper. The researchers come to the conclusion that, in comparison to domestic banks that are domestically funded, foreign banks and domestic banks that borrow internationally have cut back on lending more during the crisis years. similar to van Lelyveld and de Haas (2011). Even greater benefits are evaluated by Ongena et al. (2012) when these banks receive comparatively less funding from customer deposits. Furthermore, By looking at firm-level effects, Ongena et al. (2012) discover that only businesses who borrow money from overseas banks typically face negative real consequences. However, smaller businesses are exempt from this. The study found that these businesses have comparatively better genuine results.

Literature Gap

According to Berglöf et al. (2009), a lower decline in cross-border lending during the fourth quarter of 2008 was positively connected with a larger market share of foreign financial institutions. This study will investigate the impact of cross-border banking liabilities on the net interest income of mentioned commercial banks in Nigeria because it is a foreign study and drawing conclusions about Nigeria will result in type one or type two errors.

METHODOLOGY

The data analysis in this study was conducted using a quasi-experimental research design. This method extracts as much information as possible from the available data by combining empirical observation with theoretical consideration (a previous criterion). As a result, it allows us to see how the explanatory variables affect the dependent variables. fundamental and secondary sources are the two fundamental sources of data used in every research project.

Questionnaires, interviews, and observations are a few examples of primary data sources. However, the researcher does not want to rely on primary data because of the investigative nature of this study. Secondary sources will therefore be used. The Federal Office of Statistics and publications from the Central Bank of Nigeria (CBN) were the study's secondary sources of data.

Model Specification

This study's model is based on theories, concepts, and empirical findings. The total assets of deposit money banks are used to deflate the independent variables so that their values are identical to those of the dependent variables.

NII= f (CBC, CBC, CBD, CBR) (1)

It is empirically stated as

$$NII = \beta_0 + \beta_1 CBC + \beta_2 CBC + \beta_3 CBD + \beta_3 CBR + \mu \quad (2)$$

Where

NII= Net interest income

CBC = cross boarder banking credits

CBC = cross boarder banking claims

CBD = Cross boarder banking Deposits

CBR = Cross boarder Branches measured by percentage increase/ decrease of number deposit money banks abroad

β_0 = Intercept Term

β_1 - β_4 = Coefficients

μ = Error term

A-Priori Expectation of the Result

The explanatory variables are expected to have positive and direct effects on the dependent variables (Growth of deposit money banks profitability). That is a unit increase in any of the variables is expected to increase net interest income. This can be express mathematically as $a1, a_2, a_3, a_4, a_5 > 0$.

Data Analysis Techniques

The Statistical (First-Order) Approach: The following statistical tools shall be employed in our estimated data analyses.

R-Squared (Coefficient of Determination): The R-square otherwise known as coefficient of determination shall be used to measure goodness of fit. In other words, it tells us thee extent at which changes in the explanatory variables can explain change in the dependent variables. It is measured in percentage.

The t-Test: This is a test of the permanent estimate to ascertain whether the explanatory variables are statistically significant or not. The 5% level of significance shall be chosen to carry out this test.

The F-test: This is a test of overall significance. It is used to ascertain whether the overall parameter estimate is statically significant or not. The 5% level of significance shall be chosen to carry out this test.

ANALYSIS OF RESULTS AND DISCUSSION OF FINDINGS

Table 1: Correlated Random Effects - Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.794775	5	0.0000
Redundant Fixed Effects Tests			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.949020	(12,112)	0.0016
Cross-section Chi-square	12.588802	12	0.0096

Source: Extract from E-View Statistical Package 9.0 2025

The table above was presented to ascertain the appropriate model between the random effect and the fixed model. From the analysis the probability of Hausman test is less than the critical value of 0.05, therefore the study validate the use of fixed effect model.

Table 2: Effect of cross boarder banking liabilities on net interest income

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CBC	0.133201	2.566400	0.051902	0.9587
CBC1	1.121198	6.436806	0.174185	0.8620
CBD	1.789223	0.868803	2.059413	0.0415
CBR	0.599741	1.192336	0.502996	0.6159
C	-57.56101	69.38032	-0.829645	0.4083

R-squared	0.050974	Mean dependent var	9.802692
Adjusted R-squared	0.012707	S.D. dependent var	41.05313
S.E. of regression	40.79146	Akaike info criterion	10.29988
Sum squared resid	206329.0	Schwarz criterion	10.43223
Log likelihood	-663.4920	Hannan-Quinn criter.	10.35365
F-statistic	1.332067	Durbin-Watson stat	1.993193
Prob(F-statistic)	0.255020		

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CBC	0.133201	2.572754	0.051774	0.9588
CBC1	1.121198	6.452743	3.173755	0.0004
CBD	1.789223	0.870954	2.054327	0.0423
CBR	0.599741	1.195289	0.501754	0.6168
C	-57.56101	69.55211	-0.827596	0.4097

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.738566	Mean dependent var	9.802692
Adjusted R-squared	0.607812	S.D. dependent var	41.05313
S.E. of regression	40.89246	Akaike info criterion	10.38766
Sum squared resid	187285.7	Schwarz criterion	10.78470
Log likelihood	-657.1976	Hannan-Quinn criter.	10.54899
F-statistic	4.059748	Durbin-Watson stat	1.999190
Prob(F-statistic)	0.001853		

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CBC	0.133201	2.572754	0.051774	0.9588
CBC1	1.121198	6.452743	0.173755	0.8623
CBD	1.789223	0.870954	2.054327	0.0420
CBR	0.599741	1.195289	0.501754	0.6167
C	-57.56101	69.55211	-0.827596	0.4095

Effects Specification

	S.D.	Rho
Cross-section random	0.000000	0.0000
Idiosyncratic random	40.89246	1.0000

Weighted Statistics

R-squared	0.050974	Mean dependent var	9.802692
Adjusted R-squared	0.012707	S.D. dependent var	41.05313
S.E. of regression	40.79146	Sum squared resid	206329.0
F-statistic	1.332067	Durbin-Watson stat	1.993193
Prob(F-statistic)	0.255020		

Unweighted Statistics

R-squared	0.050974	Mean dependent var	9.802692
Sum squared resid	206329.0	Durbin-Watson stat	1.993193

Source: Extract from E-View Statistical Package 9.0 2025

The results of analysis to establish the effect of cross border banking liabilities on net interest income are shown in Table 2. Results of the study showed a relatively weak relationship (R^2=.0.607812) an indication that cross border banking liabilities variables explained 60.7 percent of net interest income of the commercial banks with the remaining 95% explained by other variables. The F value for the model was 1.332067 at p-value greater than 0.255020 ($p>0.5$), the findings thus were sufficient to support the cross border banking liabilities implying that cross border banking liabilities had statistically significant effects on net interest income of the commercial banks, the hypothesis that there is no significant relationship between cross border banking liabilities and net interest income of the commercial banks. The results indicate that there is a positive but no significant relationship between cross boarder banking credits and net interest income of the quoted commercial banks, positive and no significant effect of cross boarder banking claims and net interest income of the commercial banks, positive and significant relationship between Cross boarder banking Deposits and net interest income, positive and no significant relationship between

Cross boarder banking Deposits and net interest income of quoted commercial banks within the periods.

Discussion of Finding

Cross-border banking liabilities have a beneficial impact on the listed commercial banks' net interest income during the study's periods, according to the estimated regression model. According to the findings, cross-border bank branches added 0.59 percent, cross-border credit increased 0.33, cross-border claims added 1.12, and cross-border deposits added 1.78. The variables' favorable effects support our expectations, the study's a-priori expectations, and the objective public policies aimed at ensuring financial market stability. The results of Avdjiev et al. (2018) are supported by the favorable impact of cross-border banking liabilities on net interest income in Nigeria. the findings of Claessens and Horen (2014) that global banking is undergoing some significant structural changes and that these banks are not becoming more fragmented at all, but rather are more regionally focused and appear to have a greater variety of players; the findings of Maiwada (2013) that the country began to be affected by the global financial crisis after it had already begun in the developed and advanced economies of the world, when the crisis results spread over the world economy; and the fact that a local monetary policy tightening induces an increase in dollar lending to that nation, which is evidence of foreign banks moving there either because of the interest differential or to cover the slack left by weaker local banks. As stated in the Central Bank of Nigeria Act 1958 as modified, it supports the Central Bank of Nigeria's regulatory duties as the lender of last resort. It also explains why the Central Bank of Nigeria pumped 620 billion naira into the financial system in 2005 as a result of the banking crisis. According to the Bank and Other Financial Institution Act of 1990 as modified, central banks have a major role in guaranteeing the quality of bank assets. The variable's positive effect supports the findings of Akani and Uzah (2019), who found that the credit boom explained 77% of the variations in the assets quality ratio. The beta coefficient also showed that all independent variables had positive effects on the quality of bank assets, with the exception of credit to the manufacturing sector. Hao, Nguyet, and Trung (2017) found that the credit boom in the 2007–2010 period had caused many uncertainties for Vietnam's banking system, including increased non-performing loans and liquidity issues.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study's conclusions showed that variables related to cross-border banking obligations accounted for 60.7% of the commercial banks' net interest income, with other factors accounting for the remaining 95%. In order to support the cross-border banking liabilities, the model's F value was 1.332067 at a p-value greater than 0.255020 ($p>0.5$). This suggests that the cross-border banking liabilities had statistically significant effects on the commercial banks' net interest income, contrary to the hypothesis that there is no significant relationship between the two. The findings show that there is a positive but non-significant correlation between the net interest income of the quoted commercial banks and cross-border banking credits, a positive and non-significant correlation between cross-border banking claims and net interest income of the commercial banks, a positive and significant correlation between cross-border banking deposits and net interest income, and a positive and non-significant correlation between cross-border banking deposits and net interest income of quoted commercial banks during the periods.

Based on the results, the study concludes that there is no significant correlation between border credit and the net interest income of Nigerian commercial banks that are quoted, with the probability coefficient of 0.6168 being higher than the critical value of 0.05. The analysis concludes that there is a substantial association between cross-border banking claims and the net interest income of mentioned commercial banks in Nigeria since the probability coefficient of 0.0004 is smaller than the critical value of 0.05. The analysis concludes that there is no significant correlation between cross-border deposits and the net interest income of Nigerian commercial banks because the probability coefficient of 0.2281 is higher than the crucial value of 0.05. Based on the results, the study concludes that there is no significant correlation between the net interest income of mentioned commercial banks in Nigeria and the presence of cross-border banking branches, with the likelihood coefficient of 0.9588 being higher than the critical value of 0.05.

Recommendations

i. Policies such as banking sector internationalization should be formulated to strengthen cross border banking among Nigeria commercial banks in order to increase net interest income of quoted commercial banks in Nigeria,
ii. Policies should be advanced by the regulatory authorities to enhance the operational efficiency of commercial banks to attract inflow of cross border credits and other banking liabilities
iii. Cross boarder bank branches should be strengthen to enhance cross boarder credit to the Nigerian banking industry. Cross boarder banking liabilities should be properly managed to achieve positive net inflow to the Nigerian banking industry.

iv. There is need for proper management of cross boarder credit in the Nigeria banking industry as this can enhance banking system stability in Nigeria.

v. Cross boarder liabilities should be integrated and properly managed to commercial bank soundness in Nigeria. Cross boarder banking claim should be well designed and properly managed to enhance growth of Nigeria banking industry.

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