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Effects of 2008 Global Currency Crisis on Performance of Banks Shares Traded In Stock Exchange Market in Nigeria

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Abstract: *Economies across the globe considered financial crisis of 2008 as an event that affected the entire economic system right from consumers, producers, marketers and financiers. The crisis was as a result of currency fluctuation and devaluation of the country currency, which directly affected banks shares prices and create higher level of risk in business with banks, which can be traced from major financial institutions in United State and spilt to other rest of the world, which Nigeria is not exclusive. In Nigeria the concepts of the effect was wrongly understood and attributed to either political dimension or misconception about Western economic policies that had dominated Nigerian economic system, through inter-banking mutual relationship in terms of operations and other modalities. The general objective of the study was to establish the effects of the global currency crisis on performance of banks shares traded in stock exchange market, Nigeria. The study used a predetermined document guide to review and to collect purely secondary data from audited financial statements of n18 money deposit Banks that are operating between a period of 2006 to 2010. The data was analyzed using comparison of two sample test of mean and variance and the hypothesis was tested at a 0.05 level of significance. The result proved that all the three supportive variables used i.e. money in circulation exchange rate values, and transfer of funds rate from January 2006 to December 2010 indicated a decreased rate during the period under review. This implies that the 2008 global financial currency crisis had significant impact on share prices traded in NSEM. The study recommends that, the apex regulatory agency i.e. Federal Government through it mechanism Central Bank of Nigeria should improve in the services of the money deposit Banks using its inspectorate division, especially on currency operation where money in circulation, exchange rate, fund transfer within and outside the country can be regulated, extension of the country business linkage with other parts of the world more especially Asian countries, without much restriction, so that value of the country exchange rate can improve and restricting the system of transfer of money within and outside the country through heavy leave and enforcement of money laundry decree punishment on anybody found guilty.*

Keyword: *Global financial crisis, Global currency crisis, performance of banks shares, and stock market exchange.*

I. Introduction

1.1 Background Of The Study: Evidence shows that, the financial crisis in the world economy is not a new issue but a long time even that normally recurs after a decare, and it directly affects banks and other manufacturing firms financially (Sanusi, 2012), &Kwaneshie, (2008). These effects are reflected in various company shares price performance in various stock exchange market across the globe.

Bush (2008) describes the event as economic controversial period where value and volume of economic activities explicably and rapidly dropped down to an unexpected level, especially quoted equities prices, of banks shares.

Uguz (2012) also recognized the following factors as global financial crisis; this include fragility of banking system, devaluation of local currency, foreign trade transfer deficit, found in banking system via inter transfer of money within and outside the country among other factors.

According to Tobat and Akbar (2008) global financial crisis of 2008 was the worst of its kind since the Great Depression of the 1830's, 1930's. it became prominently visible in September, 2008, with the failure, merger and acquisition and conservatorship attitude of several larger United State based financial firms. Mcclure (2008) and Morton, (2008) analyzed the financial instability of lending firms in USA and other European Investment banks, insurance firms and mortgage banks as the root of the from global perspective. While Evans-Pritchard and Ambrose, (2007) attributed the failure to banks, insurance and other financial industry members in the US where it rapidly evolvedin their activities level which resulted to global financial crisis and further spillover to other countries of the world that are directly linkage with either through their cash operation directly or decline in stocks indices which affected the market value of their equities. Similarly Norris (2008) said the crisis led to a liquidity problem and deleveraging of financial institutions, which further accelerated the downfall in banks currently profile and forced banks to withdraw excess cash from cash reserved deposit accounts in most of the Central Banks, this is a clear indicator of currency crisis in financial terms. According to financial and economist expert any country that faced this type of currency problem has no option as a solution rather than to

seek aid inform of financial assistance either direct loan or indirect loan from international monetary fund. Otherwise situation will continued to metamorphose in currency crisis in practical economic sense, thereby given room for investors to massly transfer their vast capital resources through money circulation which include foreign exchange transfer, laver local money circulation and Exchange rate value of the country currency.

Against the background of intimate and complex interdependences between United States of America, other European developing countries of the world from contemporary era, most of the African countries and Nigeria in particular have always been hard hit by almost every global economic crisis that has occurred in recent history, (Crunch 1970's and Brenda 2006) as cited in Francis (2008).

The current financial currency depression has evolved differently from other major crisis that hit the developing world in recent decades. It is occurring in a world of unprecedented financial globalization, where the financial sector in particular Banks in Nigeria play a historically large role in economic activity.

The crisis also comes on the heels of a major global shocked from high price of goods such as food and fuel which also imposed a heavy economic burden on many African countries of either economic policy or policies, political vulnerability, insecurity or even poverty, Sao (2008) the situation in Nigeria been one of the most popular density black African people countries experience more of deleterious impact on its economic as well as banking sector which is considered as second important to oil exploration in the country economy Ujunwa (2011) but the same writer could not explain the magnitude of the effect of the situation from banking sector and the economy which is what this paper will investigate from currency point of view using the following variables as independent but supportive to the actual variable currency crisis as money in circulation level, exchange rate effect and level of inter and extra money transfer which is called transfer of money as against currency effects which is the major or the dependent variable.

1.2 Statement Of The Problem

According to Tobat and Akbar (2008) the global financial crisis of 2008, which was pronounced on July, 2008, was the worst of its kind since the Great Depression of the 1830's and 1930's. It became prominently visible in September, 2008 with the failure; merger or conservatorship attitude of several large United State of America financial firms.

The underlying causes leading t the crisis had been reported in various business journals for many months before September, 2008 example International Journal of business and social science IJBSS, Chicago stock trading journal volume 5 (2) of 2008 respectively and American journal of social science volume 4 number 18 of 2007 as well as weekly trading journal volume 1 (12) of (2008) all the cited journals and many more comment on falling of banks stocks price due to poor level of cash transaction as a result of the crisis.

In Nigeria the study is not far from the reality because Nigeria stock exchange market (NSE) witnessed unprecedented growth in total market capitalization and value of shares traded between 2004 to second quarter of 2008 immediately the crisis was pronounced in July, 2008 in USA the Nigerian stock Market started experiencing a serious downtown activities in terms of shares volatility which is used by cash as a mechanism of the transaction.

Udeme (2009) said the market capitalizations of listed equities is more than 303 in number with value of more than 10.18 trillion Naira in 2004. Between 2004 to 2007 it rose to over 12.4 trillion which is the higher record achieved within 48 years of its operation, but drastically dropped to 3.2 trillion Naira by the end of 2008 financial year due to lack of money to transact in the market business, which means the volume of money in circulation was reduced with about over 70% infact to be accurate it reduced with 9.2 trillion from 12.4 trillion. Similarly the share index dropped from 63,016.60 margins before the crisis to 31,450.78 during the trading week of December 2008. This implies that, the more people are experiencing shortage in term of money in circulation the higher the possibility the currency issues and the more the economy suffer, because investors will be pulling out their resources which made the bank stock prices generally to go down due to future anticipation of loss Onafonuko (2009).

Sanusi (2009 b) further lamented that, the hit of the global financial crisis through currency and other parameters in banking sector exposure the general weakness of most of the Nigerian banks in an area of risk management and corporategovernance, where most of the banks have non-performing loans accounts which draw unrealistic interest into their profit and loss account which they used as a trap to attract investors and improved in their stock price value.

Sanusi also stress emphasis on banks syndicates activities which he said it led to a complete crash of stock prices and forced banks to either merged or be acquired by other manageable banks that are still strong in terms of cash position to serve the need of customers withdrawn not to talk about loan and advances since the deposit level of the bank is continuously going down due to lack of money in circulation which is basically an indicator of currency crisis in financial institution specifically banks in Nigeria.

1.3 Objectives Of The Study

The objective of this study is to determine the effects of 2008 global currency crisis on performance of banks shares traded in stock exchange market, Nigeria.

1.4 Specific Objective

Specific objectives are drawn from the general objective which is to determine how the following supportive variables like volume of money in circulation, exchange rate level and transfer of fund affected the level of currency management in Nigeria banking industry which also used to determine the performance of banks shares traded in stock exchange market, Nigeria.

1.5 Research Hypothesis

The following research hypothesis were tested in the context of the statement of problem and specific objective using Ho and Ha as symbol representing the null and alternative hypothesis respectively Osoala (1990).

Ho:- Currency Crisis in Nigeria banking sector during 2008 global financial crisis has no effects on the performance of the banks shares traded in stock exchange market, Nigeria.

Ha:- Currency Crisis in Nigeria banking sector during 2008 global financial crisis has effects on the performance of the banks share traded in stock exchange market, Nigeria.

II. Literature Review

2.1 Theoretical Models

Theoretical models in research show the relationship between exsistinbly theory or formulated model that sit into the current issues of discussion, in form of either explanatory or mathematical formation which is used to determine the current research analysis. The following theories is examined

a) Dividend payment theory by Walter James, Garden Growth model theory, Modigliani and Miller (MM hypothesis model theory) and even study models are all directly or indirectly relevant. But explanation on each will be restricted due to the nature of the paper as a journal not a complete academic thesis.

2.1.1 Walter James Approach Model

According to Walter, maximization of wealth of equity holding is the basic root that concerns every financial analyst. He argues that in long run the share price of any company is subject to the community availability of cash in circulation which is a pre determine factor reflecting only on the present value of expected dividends as well as the retention level that influence stock prices which also determine the degree of effects it may cause on individual as well as collective performance of any company. He however believed that different market prices in different situations is also subject to flow of real or physical money used to accept internal rate of company return, market capitalization and dividend payout ratio which is subjected to currency level of the company.

The model was presented quantitatively as:-

$$Vc = \frac{D + Ra}{Rc} \frac{(E - D)}{Rc}$$

Where, Vc = Market value of the ordinary share of the firm.
Ra = Return on internal retention (earning profit)
Rc = Cost of capital investment
E = is the earning per share and
D = Dividend per share.

Walter theory was based on the factors that influence dividend payment per share, where internal rate of earning returns and the market expectations by the firm are subjected to cash benefit. He concluded by saying when the internal rate of returns (I. R) of retained earnings is higher than the market capitalization rate, the values of the shares would be higher even if dividend is low. But if the (I. R) within the business is lower than market expectation, the value of the shares will be low; then shareholders will prefer a higher dividend payment of cash or it equivalent, so that they can bridge the gap between capital invested and expected returns will physical money and re-channel it to another profitable business.

The model is quite relevant to currency crisis that affect banking industry during 2008 global crisis but, the model did not take care of time value of the benefit actualized out of entire business right from beginning. Similar opinion was made on rate of returns, discount rate and price per share as against dividend ratio benefit.

The model was considered week by financial experts because the condition attached to the operation of the model can only be applicable in hypothetical sense of theory but not in practical sense.

2.2.2 Modiglian And Miller (Mm Hypothesis Model)

The MM model opposed to the relevancy of the dividend payment as a yardstick for measurement of the firm performance. The proponents of the theory argue that, the firm dividend policy has no effect on its shares value under perfects capital markets. A rational investor is placed in between dividend payment and capital appreciation given the firm's investment policy.

The firm dividend policy should not influence the market prices of the shares. The market was built upon the following hypothesis.

a) The firms operate in a perfect capital market in which investors are rational an information is freely.
b) There are no taxes. Alternatively, there is no difference in tax rates applicable to capital gains and dividend.
c) The firm has no fixed investment policy, meaning there is no floatation or transaction cost and risk of uncertainty does not exist.

All these assumptions were supported by arbitrage argument, that the firm pays dividend or not, and the value is not affected by the pattern of its income distribution.

Again he urged that, the value of the share declines when dividends are paid therefore, the resent value per share after dividend and external financing is equal to the present value per share before the payment of dividend. In this case the shareholders are in different to t payment of dividend and which brings more physical cash after a given financial period grace of utilizing investors' capital and retention of earnings.

The model is represented as follows:

$$\frac{P1 + D1}{1 + Ke}$$

Where Po = Is the prevailing market price of share
Ke = Is the cost of equity capital
D1 = Dividend to be received at the end of period one.
P1 = Is the market price of a share at the end of period one

It seems the model is basically a theoretical in nature because in under and even developed countries their capital markets cannot operate in a sitting where information is perfect, rational, free and available or free of taxes or even where there is fixed investment policy and non-existence of uncertainty.

2.2.3 Event Study Model

Event study model examine the market reaction in relation to money return based on specific information related to the stock. The information can be acquisition of ownership announcement, merger policy, and stock split major financial scandal within the firm and outside the firm, change in government policy the operation of the firm and natural disaster.

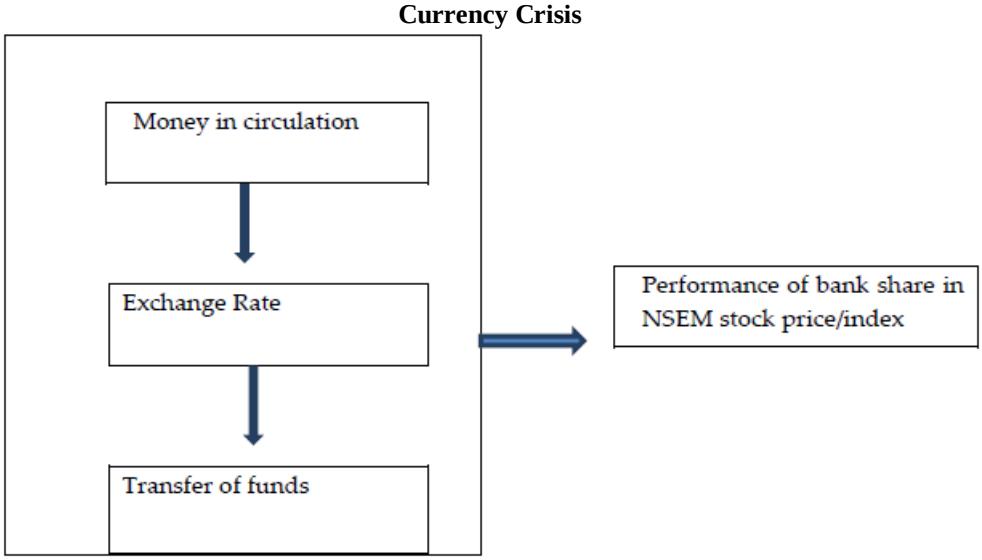
The model was built upon five (5) steps these are:

1) Identification of the event to be study and the date the event pronounced. Below is the conceptual representation of the step idea.
2) Collection of the return date around the pronouncement date. This step includes the period of calculation of overlapping of another even within the period of return date calculation. These information is depicted diagrammatically below:
3) Calculate the excess return
   Where:
   -n to tn = Return window
   Rjt = Return for firm j
   J = Is the firm
   t = Is the period for the return
4) Calculate excess return by the period around the announcement date for each firm in a sample using
   $$ERjt = \frac{Rjt - Beta\ j}{Rmt}$$
5) Calculate the average and standard error of the entire excess return.
6) Determine whether the excess return around the announcement date is different from zero or not.

All the steps mentioned in this model are indirectly related to this study therefore, applying the model require little modification so as to be given the flexibility of adopting the model in this study, since is the most appropriate model among the theoretical models reviewed.

2.3 Conceptual Framework

Conceptual framework presented below is a modernization of study event model to become comparative event study. The concept was borrowed from modified project life cycle management by (Westland 2006) presented as.



Source: Adopted from Westland 2006 & modified by the Authors 2014

2.4 Operationalization Of The Variables

Table 2.2 Money in Circulation

S/N	Mon	Amount in Circulation 06	Amount in Circulation 07	Ave rage before crisis	Average (%) b/4	Amount in Circulation/08	Amount in Circulation/09	Average after Crisis	Ave rage (%) after crisis
1	Jan	579,094,000	705,163,000	642,128,500	11	867,454,000	1,063,307,000	965,380,500	11
2	Feb	596,020,000	704,584,000	650,302,000	9	860,846,000	1,022,911,000	941,878,500	9
3	Mar	621,234,000	730,234,000	675,734,000	9	891,532,000	1,035,885,000	963,708,500	8
4	Apr	613,829,000	766,011,000	689,920,000	12	898,619,000	1,047,853,000	973,236,000	8
5	May	608,185,000	746,597,000	677,391,000	11	916,617,000	1,024,163,000	970,390,000	6
6	Jun	597,677,000	717,260,000	657,468,500	10	917,998,000	1,006,314,000	962,156,000	5
7	Jul	604,574,000	713,956,000	659,265,000	9	936,574,000	1,008,251,000	972,412,500	4
8	Aug	611,616,000	718,947,000	665,281,500	9	947,978,000	1,019,143,000	983,560,500	4
9	Sep	615,147,000	722,022,000	668,584,500	9	976,077,000	1,032,176,000	1,004,126,500	3
10	Oct	647,446,000	755,358,000	701,402,000	8	965,427,000	1,020,135,000	992,781,000	3
11	Nov	679,626,000	786,667,000	733,146,500	8	987,898,000	1,108,332,000	1,048,115,000	6
12	Dec	779,254,000	959,982,000	869,618,000	12	1,155,031,000	1,184,322,000	1,169,676,500	1

Source: C B N Annual financial reports 2010/2012

4.5.1 Money in Circulation

The quantity of money in circulation as depicted in table 2.2 is used for easy comparative analysis to determine the quantity and the quality of banks share prices traded in NSEM, as well as establish the relationship of currency use in the flow of the trading market before and after the pronouncement of 2008 GFC.

The result in table 2.3 shows that the p-value of null hypothesis Ho_1 and Ho_2 are below 0.05 at a 95% level of significance. Hence these indicate that the 2008 GFC had an impact on mean average percentage of the total

official money in circulation in all MDB in Nigeria. The P- value of hypothesis Ho_3 cannot be rejected because the P-value is greater than 0.05 at a 95% level of significance. This implies that the 2008 GFC decreased the volume of money in circulation in 2008/9 when compared with the volume in 2006/2007

Table: 2.3.Two sample t test for mean

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Average % before crisis	18	9.738076	.4253533	1.473467	8.80188	10.67427
Average % After crisis	18	5.702388	.8776025	3.040104	3.770798	7.633979
Combined	24	7.720232	.6359795	3.11565	6.404608	9.035856
Diff		4.035688	.9752495	2.013144	6.058231	
diff = mean(before crisis)		- mean(after crisis)		t = 4.1381		
Ho: diff = 0		degrees of freedom = 22				
Ha: diff < 0		Ha: diff = 0	Ha: diff > 0			
Pr(T < t) = 0.9880		Pr(T > t) = 0.0004		Pr(T > t) = 0.0002		

Source: Constructed from study data

The results in table 2.4 revealed that P- value of hypothesis Ho_1 and $Ho_{3\ are}$ below 0.05 at a 95% level of significance. Therefore, this means the 2008 GFC had on impact on variance level of money in circulation in Nigerian MDB. While the P-value of hypothesis Ho_2 cannot rejected because the value is greater than 0.05 at same level of significance, this means 2008 GFC lead to a decline in the volume of money in circulation.

Similarly, the result obtained in variation table 2.4; show that the P-values of hypothesis Ho_1 and Ho_3 are rejected at a 95% level of significance because the values are less than 0.05 respectively. This and explains the 2008 GFC had an impact on money in circulation in Nigeria banks since the Ho_2 cannot be rejected at the same level of significance. This further indicates the fluctuation of the money in circulation declined after the crisis was announced. Therefore the results supported the rejection of null hypothesis and adoption of alternative hypothesis

Table: 2.4 two sample test for Variance

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Average % before crisis	18	9.738076	.4253533	1.473467	8.80188	10.67427
Average % After crisis	18	5.702388	.8776025	3.040104	3.770798	7.633979
Combined	24	7.720232	.6359795	3.11565	6.404608	9.035856
Ratio = sd (before crisis) / sd (after crisis) f = 0.2349						
Ho: ratio = 1 degrees of freedom = 11,11						
Ha: ratio <1 Ha: ratio = 1 Ha: ratio > 1						
Pr (F <f) = 0.0120 2*Pr (F> f) =0.0239 Pr (F > f) = 0.9880						

Source: Constructed from study data

Both the mean and the variable tables of the analysis indicated that the 2008 global financial crisis directly affected cash in circulations in the Nigerian banking sector specifically and the entire economy in general.

2.5 Modeling And Data Analysis Procedure

4.5.2 Exchange Rate

This is a monetary policy instrument which involves two or more different Countries currency values for business exchange purpose. The policies differ from one country to another as a result of micro and macroeconomic indices in operation. In this case Nigeria Naira value is compared with US dollar as exchange rate because of the close inter- relationship between the two countries in term of business and other economic policies. Table 2.5 show the exchange rate movement per month, which was captured from 2006 to 2010 for the purpose of the analysis.

Table 2.5 Exchange Rate

Month	Country Exchange Rate 2006	Country Exchange Rate 2007	Average 2006/2007	Average (%)	Country Exchange Rate 2008	Country Exchange Rate 2009	Ave rage 2008/2009	Average (%) 2008/2009
Jan	128.5	126.51	127.505	-1.55	116.31	144.01	130.16	23.815665
Feb	127.5	126.51	127.005	-0.78	116.28	145.35	130.815	25
March	126.75	126.29	126.52	-0.36	116.3	145.2	130.75	24.8495271
April	126.68	126.1	126.39	-0.46	116.2	145.4	130.8	25.1290878
May	126.69	125.73	126.21	-0.76	116.16	146.2	131.18	25.8608815
June	126.67	125.55	126.11	-0.88	116.13	146.25	131.19	25.9364505
July	126.59	125.36	125.975	-0.97	116.09	149.25	132.67	28.5640451
Aug	126.52	124.45	125.485	-1.64	116.06	150.41	133.235	29.5967603
Sept	126	123.9	124.95	-1.67	146.82	146.82	146.82	0
Oct	126.54	126.54	126.54	0.00	116.07	148.64	132.355	28.0606531
Nov	126.5	117.18	121.84	-7.37	130.75	147.81	139.28	13.0478011
Dec	126.3	116.3	121.3	-7.92	130.75	147.6	139.175	12.8871893

Source: C B N Annual financial reports 2010/2012

The results in table 2.6 show that the P-values of null hypothesis Ho_1, and Ho_3 are below 0.05 at a 95% level of significance. This shows that the 2008 GFC had an impact on the mean average of the exchange rate between Nigerian Naira and the USA dollar. Since hypothesis Ho_2 cannot be rejected at the same level of significance because, the P- value is greater than 0.05 it implied that the crises lead to the devaluation of the Nigerian.

Table 2.6 two-sample t test for mean

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Average % before crisis	12	-2.028956	.7719902	2.674253	-3.728095	-.3298172
Average % After crisis	12	21.89567	2.530411	8.7656	16.32627	27.46507
Combined	24	9.933358	2.809852	13.76541	4.120736	15.74598
Diff		-23.92463	2.645552	-29.41117	-18.43809	
diff = mean(before crisis)		- mean(after crisis)		t = -9.0433		
Ho: diff = 0		degrees of freedom = 22				
Ha: diff < 0		Ha: diff = 0		Ha: diff > 0		
Pr(T < t) = 0.0000		Pr(T > t) = 0.0000		Pr(T > t) = 1.0000		

Source: Constructed from study data

The result in table 2.7 confirmed the rejections of hypothesis Ho_1 and Ho_3 at 95% level of significance because their P-values are below 0.05 levels respectively. This shows the 2008 GFC had an impact on the exchange rate of the two currencies. While hypothesis Ho_2 cannot be rejected, it means the volatility of the exchange rate during the crisis was high among banks

Table: 2.7 two sample test for variance

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Average % before crisis	12	-2.028956	.7719902	2.674253	-3.728095	-.3298172
Average % After crisis	12	21.89567	2.530411	8.7656	16.32627	27.46507
Combined	24	9.933358	2.809852	13.76541	4.120736	15.74598
Ratio = sd (before crisis) / sd (after crisis) f = 0.0931						
Ho: ratio = 1 degrees of freedom = 11,11						
Ha: ratio <1 Ha: ratio = 1 Ha: ratio > 1						
Pr (F <f) = 0.0002 2*Pr (F> f) = 0.0004Pr (F > f) = 0.9998						

Source: Constructed from study data

Table 2.8 Bank Fund Transfer

S/N	Banks	2006 (N 000)	2007 (N 000)	Ave rage before crisis	Average (%) before crisis	2008 (N 000)	2009 (N 000)	Average after crisis	Average (%) after crisis
1	Access Bank	295,834,000	1,024,185,000	660,009,500	246	2,498,000,000	97,974,000	1,297,987,000	-96
2	Afri Bank	30,172,000	61,386,000	45,779,000	103	104,226,000	30,914,000	67,570,000	-70
3	Bank PHB	4,872,000	15,087,000	9,979,500	210	148,881,000	89,570,000	119,225,500	-40
4	Diamond Bank	3,599,000	11,798,000	7,698,500	228	30,834,000	16,859,000	23,846,500	-45
5	Eco Bank	13,889,000	24,261,000	19,075,000	75	22,155,000	15,387,000	18,771,000	-31
6	Fidelity Bank	1,408,000	3,331,000	2,369,500	137	7,178,000	8,995,000	8,086,500	25
7	First Bank	60,875,000	56,869,000	58,872,000	-7	154,376,000	89,965,000	122,170,500	-42
8	FCMB	24,350,000	2,163,999,000	1,094,174,500	8,787	4,338,000	12,424,000	8,381,000	186
9	GTB	42,257,000	117,768,000	80,012,500	179	91,511,000	136,194,000	113,852,500	49
10	Skye Bank	7,783,000	29,536,000	18,659,500	279	46,098,000	36,655,000	41,376,500	-20
11	Spring Bank	747,000	457,000	602,000	-39	4,608,000	6,004,000	5,306,000	30
12	Stanbic IBTC	8,918,000	13,255,000	11,086,500	49	77,425,000	70,880,000	74,152,500	-8
13	Starling Bank	9,951,000	24,511,000	17,231,000	146	36,211,000	27,506,000	31,858,500	-24
14	Union Bank	45,090,000	75,379,000	60,234,500	67	84,166,000	12,067,000	48,116,500	-86
15	U B A	72,942,000	105,038,000	88,990,000	44	126,895,000	188,407,000	157,651,000	48
16	Unity Bank	1,288,000	1,176,000	1,232,000	-9	16,462,000	10,783,000	13,622,500	-34
17	Wema Bank	4,285,000	11,352,000	7,818,500	165	20,953,000	15,863,000	18,408,000	-24
18	Zenith Bank	11,155,000	41,236,000	26,195,500	270	64,564,000	158,977,000	111,770,500	146

Source C B N Annual financial repors2010/2012

4.5.3 Transfer of funds (investment in Security)

Fund transfer is said to be one aspect of normal banking obligation services to customers. Banks are mandated by the CBN to transfer fund in accordance with the rules and regulations on behalf of customers. There are various methods through which banks transfer money. This service is used to determine the soundness of bank currency and gauge their ability to transfer funds. Table 2.8 shows the volume of currency transferred by each bank from 2006 to 2010 in billion naira.

Table 2.9 shows that the P-values of all three hypotheses Ho_1, Ho_2 and Ho_3 indicated that the null hypotheses cannot be rejected because their values are greater than 0.05 at a 95% level of significance. Therefore, this means that the 2008 GFC had impact on banks funds transfer in Nigeria MDB, because instead of having a shortage funds transferred, results shows higher level of funds transferred means there was an over transfer of the funds after the crisis was pronounced compared with the volume transferred before the crisis.

Table 2.9Two Sample test for mean

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Average % before crisis	18	607.2364	481.7194	2043.762	-409.1027	1623.575
Average % After crisis	18	-1.985486	17.43627	73.97583	-38.7728	34.80183
Combined	36	302.6254	243.0654	1458.392	-190.8235	796.0744
Diff		609.2219	482.0348	-370.3908	1588.835	
diff = mean(before crisis)		- mean(after crisis)		t = 1.2639		
Ho: diff = 0		degrees of freedom = 34				
Ha: diff < 0		Ha: diff = 0	Ha: diff > 0			
Pr(T < t) = 0.8926		Pr(T > t) = 0.2149		Pr(T > t) = 0.1074		

Source: Constructed from study data

The result in table 3.0 shows that the hypotheses Ho_1 and Ho_2 are rejected at a 95% level of significance because the calculated P-values are all 0.000 which is less than 0.05. That and that explain that the financial crisis of 2008 had an effect the on volatility of funds transferred among the banks. Since the Ho_3 p-value is greater than 0.05 at the same level of significance cannot be rejected. It means the effects were higher after the crisis was pronounced if you compared the two values before and after.

Table 3.0 two sample test for Variance

Variable	Obs	Mean	Std. Err.	Std. Dev.	[95% Conf.	Interval]
Average % before crisis	18	607.2364	481.7194	2043.762	-409.1027	1623.575

Average % After crisis	18	-1.985486	17.43627	73.97583	-38.7728	34.80183
Combined	36	302.6254	243.0654	1458.392	-190.8235	796.0744
Ratio = sd (before crisis) / sd (after crisis) f = 763.2751						
Ho: ratio = 1 degrees of freedom = 17,17						
Ha: ratio <1 Ha: ratio = 1 Ha: ratio > 1						
Pr (F <f) = 1.0000 2*Pr (F> f) = 0.0000Pr (F > f) = 0.0000						

Source: Constructed from study data

2.5.1 Sign Test

2.6 Presentation Of The Funding

2.7 Conclusion

In summary the above result proved that the 2008 global currency crisis have significantly affected the performance of banks shares price traded in stock exchange market, where we show drastic downward records of volume of money in circulation, higher level of exchange rate between Naira which is the local currency used in the research against foreign currencies i.e. Dollar, Pounds, Japanies Yen, and other world currencies as well as huge transferred of money both locally and internationally which is a good symbol of currency problem in the society. All as a result of 2008 global currency crisis against the performance of banks share in Nigeria stock exchange market.

Central Bank of Nigeria should improve the services of the bank inspectorate division, especially on currency operation where money in circulation, transfer of funds, exchange rate, and other indices should be properly inspected monthly at branch level and a certificate of clearance and compliance should be given to the branch as evidence of inspection. At the same time stiffer punishment imposed on branches found to be violating the rules. This will go a long way in exposing bank as branch weaknesses in terms of cash management and reduce the general currency problem in banks and banks and the general economy.

The issues of exchange rates is becoming a very serious problem because since the pronouncement of the global financial crisis, Nigerian Naira is lowering in value when exchanged with US Dollar. The situations persist because Nigeria become is importing more than export. Therefore, government must bad the importations of any goods that are capable of producing it at commercial quantity for at list a period of fifteen (15) and above years or levy higher taxes at list 50% of the imported goods book value. This measure will force the exchange rate to come down and make the Naira currency appreciate.

With regard to share volatility, it is suggested that the security and exchange commission of Nigeria should monitor the activities of the stock exchange market share price fluctuation, and play an advisory role to banks that are likely to face. This way, it act as an evaluator, with a special unit with tools to perform this role, and if the said advice is in existence there is need to over hold it completely.

To overcome the issues of higher risk taken in business with banks by investors in line with the stock market business, the CBN and SEC should carry out routine. This will ensure proper control over the interest rate and valuation of bank's share certificate as collateral possible, independent valuation reports outside the banking and stock exchange market should be adopted by financial analyst, to ensure that there is a fair valuation of the bank or firm stocks. This will add more value in using bank stocks as security collateral.

Nigerians and other stakeholders in government and private organizations that are directly or indirectly responsible for stock exchange market activities should be sensitized on the causes and effects of the global financial crisis. They should also daily, weekly; monthly and annual examine their actions to ensure they are ethical and professional values. National or nationwide public awareness campaigns must support this initiative.

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