

**INFLUENCE OF CORPORATE RESTRUCTURING ON
THE PERFORMANCE OF NIGERIAN BANKS**

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ABSTRACT

The history of banking development in Nigeria has been punctuated by periods of distress in the sector. The earliest is in the 1950s. Another wave of distress is followed in the 1990s, which elicited the use of corporate restructuring as a strategy in addressing the problem. In the light of the overall implications and effects of the distress factor on business survival, this research examined the influence of corporate restructuring as embarked upon by banks in tackling the problems with particular emphasis on the just concluded restructuring exercise of Union Bank. In conducting the research, the views of various authors in relevant fields were examined to establish the historical background of the problem and to definite key concepts relevant to its resolution. Data for analysis were also sourced from published materials as well as from a field survey of the customers of Garden avenue Branch of Union Bank. The staff of the bank were also interviewed/. Collected data were presented in tabular forms. From the analysis of the generated data, it was observed that the introduction of new innovations in the areas of new bank products manpower development and the on-line real time computer network has led to improved customers service of the restructured banks. The positive effect of this on business survival is seen in the steady rise in the bank customers, growth in the assets base, increase in profitability, capital adequacy, growth in the share market prices and the overall good health of the restructured banks. However, these could not have been achieved without some negative social impacts as observed in the displacement of human labour by the computer technology resulting in the increased rate of unemployment in the society. A major highlight of the research was that banks did not show enough concern for operating with setout guidelines and regulations unsecured borrowing by bank die directors which later turned out to be bad debts remains the greatest treat to the banks. The researcher thus recommended that banks should always comply fully with operating guidelines. The regulatory authorities should, on their part, become more vigilant to their regulatory roles and impose strict sanctions for contraventions. A detailed study was also recommended on the social impact of labour displacement by the computer technology. The research concluded that corporate restructuring has led to improved performance in the Nigerian sector.