



UNVEILING THE EFFECTS OF COVID-19 ON THE EFFICIENCY OF NIGERIAN BANKS

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ABSTRACT: *This study investigated the impact of COVID-19 on the efficiency of Nigerian banks. The study especially examined the effects of COVID-19 on the capital adequacy ratio (CAR), asset quality, management quality, earning potential, and liquidity of Nigeria's money deposit banks (MDBs) both before and after the outbreak. The project employed a longitudinal survey research approach. Data was taken from the banks under study's audited financial statements for the years 2017 through 2020. The descriptive statistics of percentage and bar charts were utilised in analysing the financial figures while the Sample T-test and the Wilcoxon Statistical Test were used via SPSS in testing the formulated hypotheses. Following a series of empirical tests, it was discovered that banks' capacity to generate money and the quality of their assets both increased more during the COVID-19 epidemic. The outcome also demonstrates that banks' capital adequacy (CAR), management effectiveness, and liquidity were most significantly impacted by the COVID-19 problem as their values declined in comparison to before the epidemic. Consequently, the study recommended that banks should plan and prepare for eventualities like that of the COVID-19 in the future so as to be better prepared in innovating new measures to run and sustain their operations in the face of such eventualities.*

KEYWORDS: COVID-19, Banks, Capital adequacy, liquidity.



INTRODUCTION

The COVID-19 pandemic has had a disastrous effect on global trade, disrupting markets and financial institutions in every possible way. With its full power and turbulence, COVID-19 came, bringing all sectors and industries to a new and unsettling scenario. Organisations, large and small, local and international, responded, although the majority lacked enough preparation. Some of the industries most impacted by the lockdown scenario caused by the epidemic are tourism, retailing, manufacturing, logistics, education, healthcare, and automobiles. According to Bipasha and Suborna (2020), the pandemic caused multifaceted crises for banks in particular, primarily through rises in default rates, credit restrictions, an increase in non-performing loans (NPL), a lack of liquidity, lower returns from loans and investments, and falling market interest rates. In emerging nations like Nigeria with weak financial market infrastructure, this is probably going to get worse. In addition to the macroeconomic damage caused by COVID-19 in the areas of aggregate demand, production, supply, trade flows, savings, investments, and employment, Wilson (2020) and Tyson (2020) predicted that banks would experience higher credit risk, liquidity risk, market risk, and interest rate risk (Goodell, 2020). In developing countries like Nigeria, where banks provide banking services to millions of people and companies with little financial and economic resources in a climate of laxer regulatory framework and ferocious market rivalry, this is expected to get worse.

The Nigerian economy was already suffering even before the COVID-19 outbreak, but the pandemic caused it to worsen more. Report from various channels (Stiller & Zink, 2020; World Bank, 2020c) has it that this virus has negatively impacted organisations that were performing well before this pandemic. The pandemic's aftereffects pose a serious risk to the operation, continued existence, and expansion of banks in developing nations. Following the CBN policy on crashing the interest rate and mandating banks to restructure their loan terms, Nigerian banks are going to suffer severe losses due to high debt default. Thus, it will force banks to make provision for bad debts. This loan restructuring might result in asset quality deterioration which could threaten the systems' stability.

Even though lockdowns have been lifted and economic activities are gradually bouncing back, the net effect of the COVID-19 and government policy initiatives for the banking industry are unclear. Thus, the study raised the following important questions: how has the Nigerian banking sector been able to withstand the COVID-19 pandemic shock? What could be the aftermath of the COVID-19 on banks CARs, Asset Quality, Management Efficiency, Earning Ability, and Liquidity? The possible COVID-19 implications for banks are being highlighted in an increasing amount of research, but much of it is still mostly outside the Nigerian environment (Mohsin, Junrong & Wenju, 2020; Muhammad, Saliha, Faraz, Mazhar, Shakeel, Owais & Ghulam, 2020; Bipasha & Suborna, 2021; Fidow, 2020). Equally, some available literatures were not in the banking sector and were mere descriptive (methodology) in nature (Fidow, 2020; Bartik et al., 2020; Mohsin, Junrong & Wenju, 2020; Antonescu, 2020).

Due to this vacuum, this work examines Nigeria as a developing and emerging economy case study and evaluates the potential effect of the COVID-19 pandemic on its banking system. Nigeria is an excellent case for analysis for multiple reasons. According to the CBN's post-COVID-19 economic intervention plans, including the N50 billion credit facility and a second N 100 billion credit support intervention for the health sector, the country's economy is anticipated to develop at a faster pace in the beginning (Ademola, 2020). Second, the primary source of long-term cash and investments required to support the nation's quicker growth



continues to be Nigeria's banking industry. Last but not least, the nation's banking industry is renowned for its high non-performing loan/asset (NPL) ratio and default rate, placing Nigeria among the top African nations with the highest NPL rates (Ademola, 2020).

All things considered, other emerging and/or expanding countries, especially those with similar financial and economic structures, may benefit from learning from Nigeria's experience. The goal of the study is to ascertain how COVID-19 has affected the performance of Nigerian banks under the circumstances. This study tends to contribute to literature within the following objectives:

- i. To evaluate the effect of COVID-19 on the Capital Adequacy Ratio (CAR) of MDBs.
- ii. To examine the extent the Asset Quality and management quality of MDBs have been affected due to COVID-19; and finally
- iii. To probe the earning ability of MDBs in Nigeria before and during the COVID-19 pandemic.

This study intends to use an advanced econometric approach. This paper is further divided into five sections: section 2 for the literature review, the section 3 for the methodology while sections 4 and 5 are for discussion and conclusion respectively.

LITERATURE REVIEW

In 2020, Mohsin, Junrong, and Wenju looked into how the COVID-19 epidemic affected Pakistani micro, small, and medium-sized businesses. The study employed an exploratory methodology and combed through all of the available literature on the topic, including reports, papers, and policy documents. Additionally, in order to gather information and provide empirical evidence, the study distributed an online questionnaire to 184 Pakistani MSMEs. The data were investigated using descriptive statistics. Based on the findings of the study, a number of policy recommendations were made to reduce the burden on MSMEs. These include preserving the rights of employees and the veracity of information, boosting the economy, helping MSMEs find work and income, planning, boosting resilience, and encouraging goodwill among people.

The influence of COVID-19 on the liquidity of Pakistan's banking system was examined by Muhammad et al. (2020). Various stressed testing methods that are often employed in the financial industry to stress test any financial institutions were applied to 33 banks in Pakistan's banking sector. Only Faysal Bank and Standard Chartered Bank, according to the findings of the stress test, are secured institutions in terms of a steady liquidity outlook. All banks were vulnerable to mild liquidity shocks, with the exception of foreign banks. Additionally, a huge short-term asset liability mismatch is shown by the fact that the majority of banks have incredibly low liquidity coverage ratios. Bipasha and Suborna (2021) conducted research on an emerging economy (Bangladesh) in 2021. The specific objectives were to assess the impact of the COVID-19 on the capital adequacy ratio, operating performance, and firm value. The results of Bangladesh Bank's stress tests and quantitative approach suggest that, at the sectoral and individual bank levels, risk-weighted asset prices, capital adequacy ratios, and interest income will all likely decrease.



Similar research was conducted by Fidow (2020), who focused in particular on people who utilised borrowed money to start and run their enterprises. The study looked at the impact of COVID-19 on loan repayment for small businesses in Kenya. The Eastleigh business community was the study's target group, and samples from 50 of these companies were chosen at random. In order to examine the mean, mode, median, and variance of the gathered data, descriptive statistics were utilised. The strength and direction of the connections between the various variables were examined using regression and correlation. The study's findings showed a statistically significant inverse association between Eastleigh small company loan repayment capacity and pandemic breakout. Bartik et al. (2020) carried out research on "The impact of COVID-19 on small business outcomes and expectations in the USA." They surveyed 5800 small businesses to determine how COVID-19 affected business operations. They found that the 48% of Americans employed in the small business sector had already seen significant layoffs a few weeks into the crisis. The results showed a negative relationship between the likelihood of closures and the estimated length of the outbreak. The study indicated that at the time of the poll, small firms were more vulnerable and had just enough cash to last one week, whereas the median corporation had more than \$100,000 in monthly costs. The effects of COVID-19 on Uganda's small and medium-sized businesses were examined by Lakuma et al. (2020). The virus took its toll on the populace and harmed companies in several sectors, despite Uganda taking serious containment efforts to stop the pandemic's spread, such as closing schools, limiting travel in and out of the nation, and social isolation. According to the report, 75% of the companies polled had to lay off workers in the last three months owing to COVID-19's impact on decreased economic activity. Due to transportation limitations, quarantine, and weekly market bans, agriculture enterprises have faced the greatest access challenges. Wanjala (2020) included a section on the Economic Impact Assessment of the Novel Coronavirus on Tourism and Trade in Kenya. In 2019, the year before the outbreak, a central bank poll found that 51% of Kenyans were judged to be food insecure. According to these numbers, a significant portion of the population is at danger of going hungry in the event of a lockdown, a limitation on their freedom of movement, or the implementation of containment measures that may result in job loss.

Fernandes (2020) studied the COVID-19 coronavirus outbreak's economic consequences on the global economy. 30 nations were included in the sample under various conditions. The length of the lockdown and the length of the recovery phase are uncertain as of the date of this research, although the report predicted that the GDP growth will decline by 3-6% depending on the nation. The study discovered a median GDP decrease of -2.8% in the tested nations, with an additional 2.5–3% decline for each month of crises and responses. In other nations experiencing a serious epidemic and an economic lockdown, the research predicted a GDP decline of up to 15%. These crises will have a significant impact on service-oriented economies and those that rely on international trade, which will result in greater job losses. According to the study's findings, the studied nations are overly reliant on historical information about prior outbreaks and their financial effects, which causes them to underestimate the current epidemic. Ivanov (2020) investigated how to forecast how disease outbreaks will affect international supply networks. He examined and forecasted the effects of epidemic breakouts on the operation of the supply chain using simulation-based techniques and tools for logistic modelling and optimization. The study discovered that downstream interruptions had less of an effect on supply chain performance than the period of business opening and closing. Sinagl (2020) looked at the Cash-flow Risk and Industry Response to the COVID-19 Outbreak. The



purpose of the study was to ascertain how US businesses react to long-term cash flow risk caused by COVID-19 outages.

Hope et al. (2020) looked into the relationship between Nigeria's economic performance and the coronavirus pandemic epidemic. The coronavirus (COVID-19) pandemic has a detrimental influence on both the financial and non-financial performance of the Nigerian private sector, according to the results of the linear regression. The coronavirus (COVID-19) pandemic, according to the study's conclusions, negatively affects the functioning of Nigerian businesses. Adenomon and Maijamaa (2020) examined the COVID-19's effects on the Nigerian Stock Exchange from 2 January to 16 April 2020. The results demonstrated that stock returns in Nigeria declined and were extremely erratic throughout the COVID-19 era.

Iwedi et al. (2020) assessed the global economy's impact and the COVID-19 pandemic's consequences on Nigeria. The global trade wars over the COVID-19 outbreak and their impact on the Nigerian economy were evaluated using a descriptive methodology. The study found that the COVID-19 coronavirus has a significant negative impact on Nigeria's social, religious, and economic activities. Tesfaye (2020) examined the COVID-19 pandemic's effects on the private banking sector in Ethiopia. The pandemic had an effect on banks' balance sheets and income statements, as was found utilising historical data covering ten (10) years, from 2010 to 2019. Wakode (2020) looked into the impact of COVID-19 on a bank's credit exposure. The study's methodological approach, multivariate analysis of variance, revealed a strong association between COVID-19 and bank risk metrics.

METHODOLOGY

The survey research design was employed, with a focus on causal comparative design and longitudinal history data. The researcher was able to examine the performance of the banks over the pandemic era thanks to the longitudinal approach. In order to examine the impact of the COVID-19 pandemic on the performance of money deposit banks (MDBs), the Causal Comparative Design (Ex Post Facto Design) was also used in the study to compare the performance indicators of the banks before the COVID-19 Pandemic Period (years 2017–2018) and those of the COVID–19 Pandemic Period (years 2019–2020). The purpose of the survey research technique in this study was to address issues that have been asked and fix problems that have been identified.

Population of the Study and Sampling Technique

The study's target population consisted of 5 selected commercial banks with branches all over the nation. Table 3.1 shows the names of the selected banks which were purposefully selected based on the availability of financial data.

Table 3.1: Sampled Banks for the Study

s/n	Banks
1	Zenith Bank Plc.
2	GTBank Plc.
3	Fidelity Bank Plc.
4	Access Bank Plc.



5

First Bank Plc.

Source: *Compiled by the Researcher*

Thus, the sample unit/data for the study consisted of 5 selected commercial banks as identified in Table 3.1. The sample data for the study covered a 4 years period. That is, 2 years (2017 to 2018) before the COVID-19 pandemic outbreak and 2 years (2019 to 2020) during COVID-19 pandemic outbreak.

Sampling Technique/Procedure

There are two primary sample procedures: probability sampling techniques and non-probability sampling techniques. For the purposes of the study, the non-probability sampling technique, more specifically, the purposive sampling technique was used. This sampling technique was chosen based on financial data accessibility of the selected banks. Not all the commercial banks financial data are accessible.

Method of Data Analysis

Descriptive statistics such as simple percentage method, bar charts, line charts via Excel were used in presenting and analysing the financial figures of the selected firms' and the Paired Sample T-Test and Wilcoxon Statistical Test Tool were used in testing the hypotheses.

Decision Rule

- a. Accept H_0 and reject H_1 if P-value >0.05
- b. Accept H_1 and reject H_0 if P-value <0.05

Validity and Reliability of Instrument

The researcher made sure that the items taken from the financial accounts related to the variables being studied in order to ensure the validity of the research instrument. Both firms' audited financial statements are trustworthy and can produce comparable results when employed at various points in time. The legal requirements that all companies follow when publishing their financial statements serve as the foundation for their dependability.

Data Sources

Specifically, the secondary source of data was utilised for the purpose of this study. Economic and structural data were sourced from multiple sources, namely: the Central Bank of Nigeria, World Bank, and audited financial statements of the selected banks. The sample period will be from 2017-2018 representing the pre-COVID-19 period and from 2019-2020 representing the pandemic period.

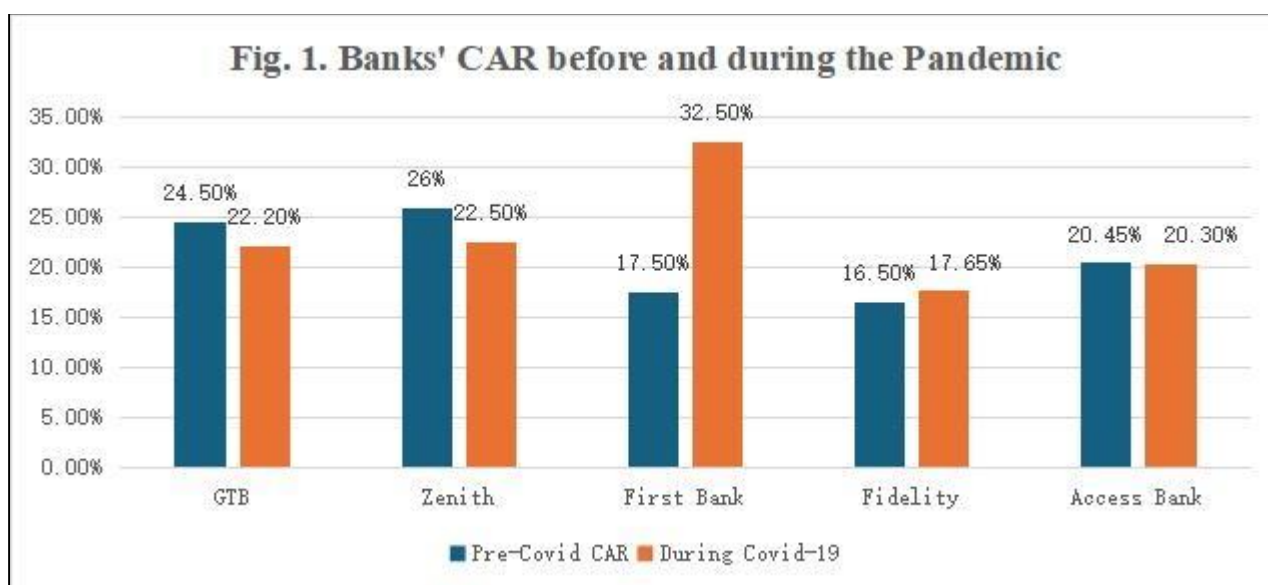


RESULTS AND DISCUSSION

Pre-COVID-19 CAR			CAR during COVID-19	
	2017	2018	2019	2020
GTB	25.68%	23.39	22.51%	21.89%
Zenith	27%	25%	22%	23%
First Bank	17.7%	17.3%	15.5%	17%
Fidelity	16%	17%	18.3%	17%
Access Bank	20.1%	20.8%	20.0%	20.6%

Source: Researcher's Compilation from the Audited Financial Statement of the Banks

As shown in Fig. 1, the pandemic had a significant effect on the Capital adequacy (CA) of the banks. On average, GTbank, Zenith bank, and Access bank experienced a decrease in CAR during the pandemic by 9%, 8.6%, and 9.9% respectively during the pandemic while First bank and Fidelity bank experienced improvement in their CAR during COVID-19 by 8.5% and 0.6%. Hence, the pandemic affected the CAR of some banks like GTbank, Zenith bank, and Access bank negatively while First bank and Fidelity bank showed more resilience.



Source: Author's Compilation, 2023

Table 4.2: Asset Quality of Banks Measured by Non-Performing Loan (NPL)

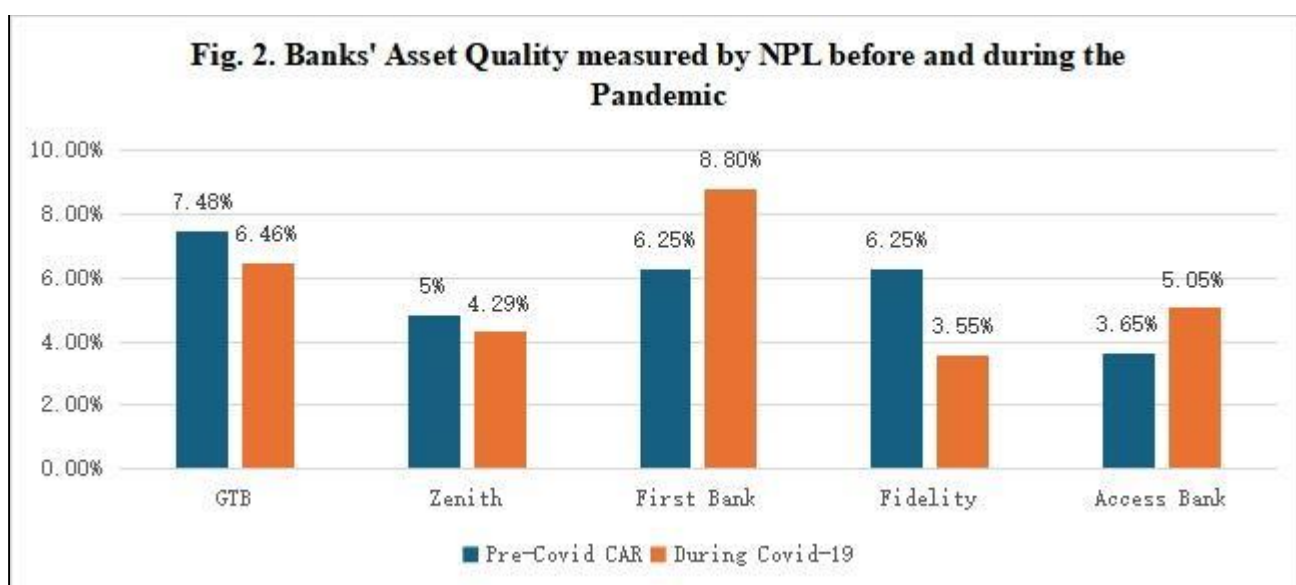
Pre-COVID-19 NPL			NPL during COVID-19	
	2017	2018	2019	2020
GTB	7.66%	7.30%	6.53%	6.39%
Zenith	4.70%	4.98%	4.30%	4.29%
First Bank	6.8%	5.7%	9.9%	7.7%
Fidelity	6.4%	6.1%	3.3%	3.8%



Access Bank	2.5%	4.8%	5.8%	4.3%
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Source: *Researcher's Compilation from the audited financial statement of the banks*

As shown in Fig. 2, the pandemic impacted on the asset quality of banks as measured by the Non- Performing Loan (NPL) during the pandemic. On average, GTBank, Zenith Bank, and Fidelity Bank experienced decrease in NPL by 8.6%, 8.5%, and 7.6% respectively during the pandemic while First Bank and Access Bank experienced increase in their NPL during COVID-19 by 4.1% and 3.8%. The decrease in NPL which shows resilience and improvement could be attributed to the loan restructuring of the banks as mandated by the CBN. However, the increase in NPL of First Bank and Access Bank implies a risky state of loan impairment indicating that the asset of the banks is overexposed to specific risks (loan default).



Source: *Author's Compilation, 2023*

Table 4.3: Managerial Quality of Banks measured by Loan to Deposit Ratio (LDR)

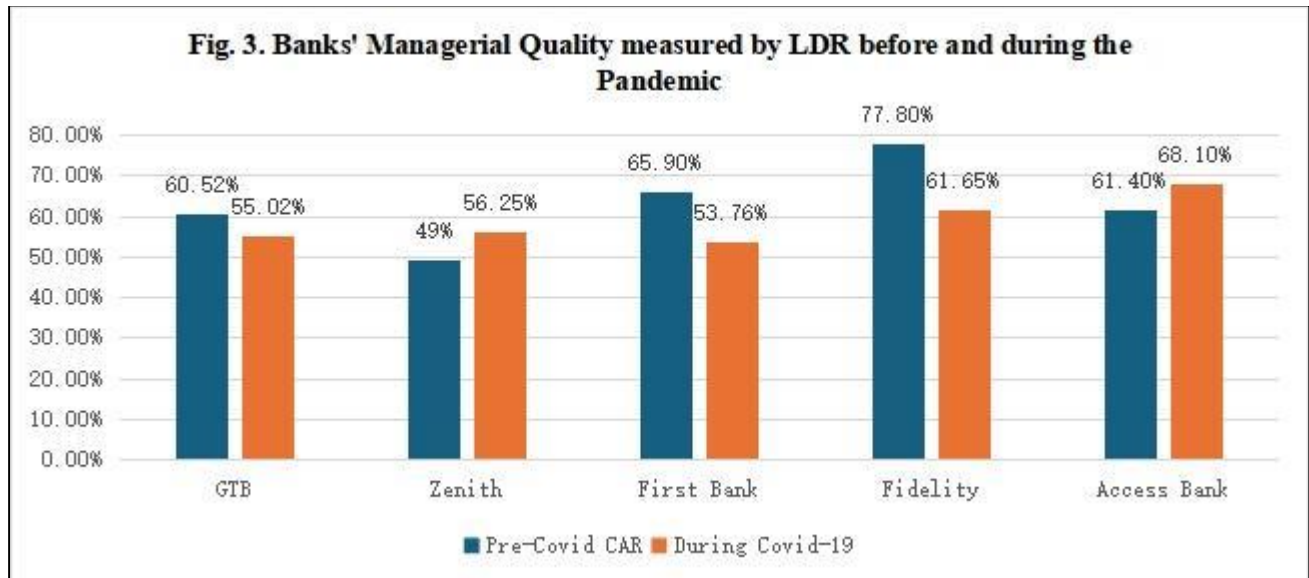
	Pre-COVID-19 LDR		LDR during COVID-19	
	2017	2018	2019	2020
GTB	67.49%	53.55%	60.62%	49.42%
Zenith	54.5%	44.2%	57.8%	54.7%
First Bank	59.30%	72.50%	47.70%	59.83%
Fidelity	84.7%	71%	60.4%	62.9%
Access Bank	68.7%	54.1%	66.60%	69.63%

Source: *Researcher's Compilation from the Audited Financial Statement of the Banks*

The management efficiency of both banks was measured using LDR. As shown in Fig. 3, the pandemic impacted on the managerial quality of GTBank, First Bank, and Fidelity Bank as they experienced decrease in LDR by 9%, 8.1%, and 8.5% respectively during the pandemic while First Bank and Access Bank experienced increase in their LDR during COVID-19 by 14% and



10.9%. The difference in the impact of the pandemic can be attributed to different strategic responses adopted by the banks during the pandemic. Hence, the effect is mixed as some banks experienced deterioration in managerial quality while others experienced improvement.



Source: Author's Compilation, 2023

Table 4.4: Earning Ability (EA) of Banks Measured by Net Profit

	Pre-COVID-19 Net Profit (Millions)		Net Profit during COVID-19 (Millions)	
	2017	2018	2019	2020
GTB	128,446	118,305	175,125	166,753
Zenith	173,791	193,424	208,844	230,565
First Bank	9,275	9,342	13,862	33,860
Fidelity	17,768	22,926	28,425	26,650
Access Bank	51,335	73,596	70,115	80,039

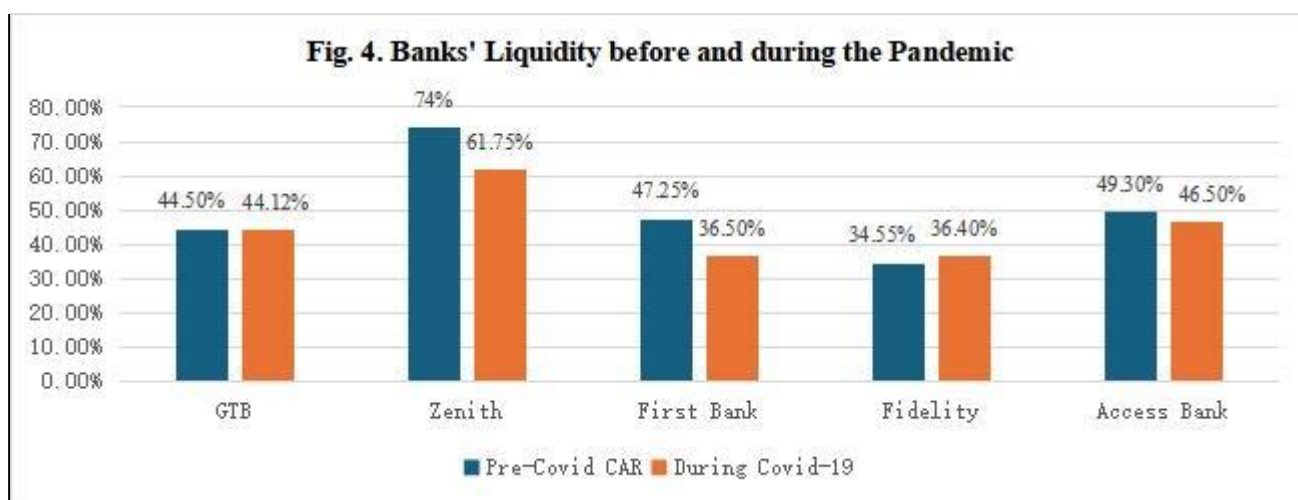
Source: Researcher's Compilation from the Audited Financial Statement of the Banks

The earning ability of the banks as measured by their Net Profit improved significantly during the pandemic. Zenith bank recorded the highest earning during the pandemic as profit increased by 55% in 2020 compared to 11% in 2018. Similarly, GTBank earning equally increased by 9.5% in 2020 compared to the pre-COVID-19 pandemic. Access Bank experienced 1.4% increase in earnings in 2020 during the pandemic compared to the pre-COVID-19 era. Equally, Fidelity Bank experienced an increase in earning ability as measured by Net Profit by 9.3% in 2020. The increase in earnings by most of the banks can be attributed to the digital infrastructure and new business models implemented during the pandemic and the previous experience of the oil shock that ravaged the financial institutions globally.

**Table 4.5: Liquidity (L) of Banks**

Pre-COVID-19 Liquidity			Liquidity during COVID-19	
	2017	2018	2019	2020
GTB	47.56%	41.44%	49.33%	38.91%
Zenith	67.7%	80%	66.2%	57.3%
First Bank	49.3%	45.2%	38.2%	34.8%
Fidelity	35.9%	33.2%	35.0%	37.8%
Access Bank	47.7%	50.9%	47.0%	46.0%

Source: Researcher's Compilation from the Audited Financial Statement of the Banks



Source: Author's Compilation, 2023

Liquidity ratio in a bank measures the ability to pay its current obligations. For banks to have sound operations, they need to have liquidity solvency. If any bank faces a liquidity crisis, it means it can not meet up with its short-term obligations which might affect the image of such a bank as shown in Fig 4. There was a drop in the liquidity ratio of all the studied banks except Fidelity Bank due to the pandemic. The average liquidity of GTBank dropped from 44.5% in the pre-COVID-19 to 44.12% during the pandemic. Also, Zenith Bank experienced a significant drop in liquidity from 74% before the pandemic to 61% during the pandemic. Equally, First Bank's liquidity ratio depreciated from 47.25% before the pandemic to 36.50% during the pandemic. Access Bank liquidity equally reduced from 49.30% before the pandemic to 46.50% during the pandemic.



DISCUSSION OF FINDINGS

The capital adequacy ratio is critical to the banking system because it lowers the risk of bank failure, ensuring the effectiveness and stability of a country's financial system. A bank with a high capital adequacy ratio is regarded as safe and likely to meet its financial obligations. In view of the above analysis as shown on table 4.10 and 4.11, the result shows that CAR of the studied banks are above the CBN threshold of 15% and are in stable condition in meeting their financial commitment. It shows further that the banks' have a mixed capital of Tier 1 (core capital) which consists of share capital and reserves.

Findings further demonstrated that the pre-COVID-19 CAR mean (20.9970) of the banks was higher than that of the CAR mean (19.7800) during the pandemic. The null hypothesis was accepted as statistical evidence shows that there is no significant difference to the extent to which COVID-19 pandemics have affected Capital Adequacy Ratio (CAR) of MDBs. This could be justified with a P-value of 0.089 (Paired sample T-test) 0.066 (Wilcoxon test tool) as shown on table 4.10 and 4.11. The test is considered statistically insignificant, as such the null hypothesis was accepted. The finding of the study is in consonance with the a priori expectations of Bipasha and Suborna (2021) carried out on COVID-19 implications for banks in an emerging economy like Bangladesh. That study found that the CAR of the studied banks decreased during the pandemic when compared to the pre-COVID period. The results also lend credence to the buffer theory of capital adequacy, which contends that a bank meeting a minimum capital ratio has an incentive to raise more capital in order to reduce the risk of collapse and associated regulatory costs.

However, the mean value of the NPL of the studied banks before and during the pandemic were above the CBN benchmark of 5.3%. The study found that the decrease in the NPL of the MDBs was due to the measures put in place by the CBN monetary policy committee directing banks to restructure their loans as part of efforts taken to cushion the effect of the COVID-19 pandemic. The findings revealed the managerial efficiency of the banks in terms of attracting new deposits using the LDR. Findings revealed that the pandemic affected the banks' ability to attract new deposits as the mean (63%) value of LDR before the pandemic was higher than the LDR during (58.9%) the pandemic. Going further, the result was statistically insignificant (P-value 0.3 and 0.285 > 0.005) based on the significant values of the sample T-test and Wilcoxon Statistical Test. Hence, the study concluded there is no significant difference in Management Quality of MDBs before and during the COVID-19 periods.

This is demonstrated by a decrease in the loan-to-deposit ratio of the banks from 63% before the pandemic to 58.96% during the pandemic. Hence, the pandemic impacted negatively on the banks' managerial ability in attracting new deposits. The findings are in line with that of Tesfaye (2020) exploring the impact of COVID-19 pandemic on Ethiopia's private banking system and found a negative of the pandemic on the banking performance. Table 4.16 and Table 4.17 show that the banks' earnings as measured by net profit during the pandemic (99,923) was much higher than the pre-COVID-19 net profit value of 79,525. This resulted in a mean difference of 23603 with a -ratio of 4.304 which is >1.96 (critical value). Hence, it can be concluded that the earning ability of MDBs have improved significantly during the pandemic. Evidence is based on the P-values of both samples T-test (P-0.02 < 0.05) and Wilcoxon Statistical Test (P-0.02 < 0.03) that were both less than 0.05. This improvement can be attributed to digital infrastructure put in place by the banks. This is in agreement with the



findings of Hope, Saidu and Success (2020) and Demirguc-Kunt, Pediaza and Ruiz (2020) who noted significant positive association between firms' profitability and COVID-19 outbreak.

Results show that the banks' liquidity before the pandemic (49.8900) was much higher than the liquidity position during the COVID-19 (45.0540). This resulted in a mean difference of 4.83600. with a t -ratio of 1.920 which is <1.96 (critical value). Hence, it is concluded that there is no significant difference to the extent to which COVID-19 has affected the liquidity of MDBs. The evidence is based on sample T-test and Wilcoxon Statistical Test values of 0.087 and 0.074 that are >0.05 . According to Kocho, Iwedi, and Barisua (2020) and Wakode (2020), the COVID-19 pandemic had a considerable favourable influence on enterprises' liquidity, the study's findings are not consistent with the assumptions made by those researchers. The outcome confirms the Liquid Assets Theories focus on the need for banks to retain significant liquid assets as reserves against potential depositor payment requests. The idea highlights the need of retaining short-term assets as a responsible safety net against various business operations risks and the diverse demands of a firm.

CONCLUSION AND POLICY RECOMMENDATION

In growing economies like Nigeria, the banking sector is very important for development. Therefore, the research on the subject is still important, particularly considering the effects of COVID-19 on the banking industry and the Nigerian economy. The following conclusions were drawn from the findings: The pandemic decreased the CAR of the studied bank. The asset quality of the banks as measured by NPL improved due to loan restructuring and provisions. There was an adverse impact of the pandemic on the managerial quality of the banks as measured by Loan to deposit ratio. The earnings of the banks improved better during the pandemic due to the digital infrastructure of the banks compared to their earning ability before the pandemic. In line with the findings and conclusion of the findings, the study thus recommends that bank management plan and prepare for eventualities like COVID-19 to be better prepared in innovating new measures to run and sustain its operations in the face of such eventualities. Banks improve their digital platforms so as to reap from it when any restriction equivalent to COVID-19 pandemic restrictions is put in place. Banks properly manage its lending process so as to limit the number and severity of losses that is encountered during COVID-19 or any other unforeseen circumstances that may occur in the society. Since the study noted that COVID-19 pandemic affected banks' profit for the year in Nigeria, it was recommended that government through Central Bank of Nigeria should strengthen its fiscal and monetary policies to tilt toward reinvigoration of the banking sector so that they can overcome the pandemic effects of COVID-19. The study recommends that the government, through its various organs and agents, should try as much as they can to turn around the various sectors of the economy in order to make up for lost ground and rebuild lost confidence for proper nation-reviving. The study notes that the COVID-19 Pandemic affected banks' CAR and managerial quality of banks in Nigeria.



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