

Theoretical Review on Future Financing and Investment in Nigeria

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Abstract

Little is known about Future Financing and investments, as only a small number of surveys exist. This paper analyzed future finance and investments in our country of origin and covered current practices and motivations, obstacles to future finance and investment, addressing obstacles and other incentive mechanisms, and preferences for future finance and investment. Most countries strive to achieve high investment because of its literature acknowledged advantages as a tool of economic growth. Nigeria though faced by the problem of saving investment gap has one of its principal objectives under the new democratic dispensation as “the towards growth sustenance”. The result clearly shown that investment financing has a positive and strong relationship with economic growth in Nigeria, from the findings some of the problems of investment financing in Nigeria that were identified are the issues of Inadequate macroeconomic framework and policy inconsistencies, Low level of domestic savings, and Low return on investment. Therefore, the research recommended that government should pursue strong macroeconomic policies, improve economic efficiency, and increase public investment towards human capital development and improve infrastructures in the country to enhance productivity and efficiency.

Keywords: Finance; Investment; Securities; Environmental Issues; Function; Manufacturing; Cheques.

1. Introduction

Future Financing means any financing undertaken after the advance of the loan whether such financing is affected by way of a public offering of securities by the borrower, debt, equity, and convertible debt or otherwise. Future Financing is also any offering of shares of any class of company securities with voting rights generally to elect directors of the company.

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Future Financing means a private placement financing, or series of related private placement financings, by the company after the closing date pursuant to which gross proceeds of at least \$1,500,000 are raised “generally accepted accounting principles” for any person means the generally accepted accounting principles and practices applied by such person from time to time in the preparation of its audited financial statements, as elaborated by “the author in [13]”.

“The author in [25]” expressed that, **Investment** on the other hand can be defined as the expenditure of funds lending to the creation of net additions to the stock of physical capital; it is done almost exclusively by firms. Interest rate favours the investors when the interest rate is low. Investment is the commitment of funds in anticipation of flow of benefits over a given period of time. “The author in [32]” A project market takes the form of placement in the money market. It may take the form of business expansion, acquisition, asset replacement etc. in other words, investment may be in form of real asset or financial asset investment. “The author in [28]” deduced that Investment decisions of a form are commonly known as capital budgeting decisions. Investment decision is one of the most crucial management decisions because investible funds are scarce and opportunity cost very high. Since most investment involves the commitment of substantial amount of financial resources faulty decisions may lead to losses. It therefore becomes imperative to appraise carefully, the alternative capital spending proposals. This is the corner stone of investment evaluation.

“The authors in [33]” expressed that, Finance as a concept refers to any of the three interrelated definitional issues namely an organizational resource, an organizational function or an academic discipline. Finance as a resource is synonymous with money or purchasing power. It can be seen as capital used to acquire other productive resources such as land, machinery, equipment and labour. The author in [34]”, also has it that Finance can be transferred from person to person by way of lending (credit finance) at interest rate cost. In this way, finance can be purchased in the market at favourable and agreeable term for economy use.

“The authors in [37]” expunged that, Finance is a capital component of the organizational resources unlike other material resources which have a direct utility value to the organization. This is because the demand for money is a derived one. This is linked to the fact that money is not demanded for its own sake but for its purchasing power. The utility of finance derives primarily from its exchange value. The acceptability of money as a medium of exchange is a quality of finance that differentiates it from other organizational resources. In this case, finance is used to effect payment of all other resource. Finance, when viewed as organizational resource is used to effect both final and deferred payments. The immediate exchange of money for goods and services is referred to as final statement. “The author in [38]” has it that, when a credit transaction is consummated, a deferred settlement arises. In a credit transaction, the pledge of indebtedness serves as a medium of exchange. It gives a right to a debtor to postpone settlement of a transaction to a predetermined future.

“The author in [29]”, opined that, the finances of an organization include all means of final and deferred payment available to it. These include cash, bank balances, cheques and other liquid financial assets acceptable for final settlement as well as all resources and lines of credit available to the organization for effecting deferred transactions. In this way, the finance function is distinguished from other organizational functions such as those of production, marketing and human resource management.

“The author in [30]” has it that, finance as a discipline can be seen as a profession practiced by those who are equipped with the theories and techniques of financial administration and control. As an academic discipline, finance refers to the study of the nature, uses and management of the finances of different types of economic units in a market economy such as household finance, corporate finance, public finance and international finance. Corporate finance deals with the management of money and money claims in certain establishment such as a corporation and an industry. It is concerned with the determination of the financial or capital structure of these establishments, the sources of finance, the financial analysis of the corporation and companies to know their financial strengths and weaknesses.

“The author in [30]” proposed that, the major factor that determines investment is interest rate and this is influenced by savings. The investors will also be favoured when the marginal efficiency of capital is high. Marginal efficiency is defined as the expected rate of returns from additional unit of capital asset. It refers to the expected rate of profit per year on real investment of the most efficient type; it depends upon the entrepreneur expectation of future return. However, there will be no investment of profit expectation which is not very bright; this is the reason why investment falls to a low level during a depression despite all the encouragement to stimulate private investment, noted by “the author in [27]”. “The author in [34]” emphasized that, the Keynes were at a different view, which they advocate that individual savings is a social virtue but rather supported the view that individual savings is greatly a social vice. Increase savings on the part of individuals will result in a general curtailment in the expenditure. When savings increase, investment is very essential for the economic development of an economy. With increase investment, employment is bound to increase which will in turn increase demand, prices, profit and more production expansion. This expansion if properly utilized will lead to economic development of a country, said “the author in [31]”. “The author in [20]” said that Investment results as a consequence of capital accumulation, which in turn depends upon savings. “The author in [18]”, also emphasized that Savings by profit earners and their conversion into investment was the main actor responsible for the economic development of Great Britain in the 19th century.

1.1. 5 Trends In Future Financing And Investment

“The author in [19]”, pointed that the future of finance is full of possibilities. If you are an ambitious professional who wants to make a career in this industry, you must be aware of these most crucial trends in financial services.

- **Private businesses will explore innovative investment routes**

The finance industry has suffered some considerable challenges in recent times. Considering such unprecedented upheavals in this industry, private firms are looking for innovative investment routes. It is, however, important to acknowledge the importance of making innovative and informed decisions related to investment. Innovative investment routes in private markets will enable companies to get in touch with various funding options and also grab the attention of a diverse cohort of investors. This can be achieved through equity crowd funding or the tokenization of assets. Block chain technology enables venture capital and private equity firms to access new investment opportunities. They can create decentralized investment platforms, providing

new ways for private companies to raise capital. Their investors, too, can gain exposure to a wide range of assets, “The author in [19]”.

- **AI and machine learning will determine the future of finance**

AI and machine learning will become crucial segments of the finance industry. They will enable a faster, more accurate, and more precise analysis of data, improved risk management, and the development of advanced financial products and services. AI can be used for financial forecasting, fraud detection, portfolio management and customer service. Machine learning can be used to automate as well as optimize compliance, credit scoring, and trading strategies. Financial institutions can make informed decisions and enhance operational efficiency through AI and machine learning. However, it is ideal to use AI and machine learning ethically in the finance industry with proper compliance, governance and risk management, “The author in [19]”.

- **ESG investment will play a crucial role in changing the finance landscape**

ESG (Environmental, Social and Governance) investment will play a vital role in molding the future of finance. ESG factors will influence a company’s financial performance and long-term sustainability. Investors have become more aware and careful of the environment and the social consequences of their investments. Hence, ESG considerations can significantly impact investment decisions and risk mitigation, generating long-term returns. As sustainable finance is the future, ESG investment is becoming extremely important for the planet, “The author in [19]”.

- **Open banking will be the future of finance**

Customers can securely share their financial information with authorized and verified third parties through open banking. Open banking can play a major role in changing the future of finance as this grants access to customers to multiple financial products and services. These services include personalized financial advice, money management applications and budgeting tools. In addition to this, open banking can also facilitate real-time account aggregation, leading to lower prices and more convenient terms for customers. Open banking is undoubtedly one of the most important trends in financial services, as it can lead to the formation of more secure financial systems in the future, “The author in [19]”.

- **Cyber security will dominate the finance industry**

Cyber security plays a vital role in determining the future of finance. It protects and preserves sensitive financial information from any unauthorized source. Cyber-attacks are increasing in number, which can further lead to significant damage to customer trust and financial loss. Vigorous cyber security measures can defend against cyber threats and ensure a safer financial system. Some examples of implementing cyber security in financial institutions include firewalls, multi-factor authentication, incident response plans and encryption, “The author in [19]”.

2. Conceptual Review on Future Financing and Investment in Nigeria

In line with “The author in [17]”, Investment can be broadly defined as the acquisition of an asset with the aim of receiving a return. It could also mean the production of capital goods; goods which are not consumed but instead used in future production. Examples include a rail road, or factory, clearing land, or putting oneself through college.

There are several motives for investment. As has been referred to above, the basic motive is profit or return. According to Keynes’ theory, this motive depends on the expected Marginal Efficiency of Capital (MEC) in relation to the expected rate of interest. The difference between the realized marginal efficiency of capital and the rate of interest is the opportunity cost of investment, “The author in [17]”.

The theory assumes that the expected return on investment is intrinsically volatile in view of the uncertainty that accompanies the main determinants of investment returns. But this is especially as far as private investment is concerned. In the context of growth, the accelerator principle suggests that increases in output lead to increases in investment, “The author in [17]”.

This principle relates investment to GDP. It follows from the fact that the demand for machinery and factories is a derived one. Thus, if the demand for the goods that capital equipment produced rises and the existing industrial capacity cannot meet this demand, if production were to be increased, then new plant and equipment would be required. While new capital equipment is being built and installed, investment expenditure has taken place. If the desired stock of capital good increases, there will be an investment depend on changes in final demand, and hence changes in GDP. In this vein, the accelerator principle explains why a slowdown in growth of GDP can lead to negative growth in subsequent period through a fall in investment spending, “The author in [17]”. As result of the restrictive assumptions of the accelerator model, Hall and Jorgenson in formulated the neoclassical approach. In this theory, the desired or optimal level of investment stock depends on the level of output and on the user cost of capital which in turn depends on the price of capital goods, the real rate of interest and the depreciation rate. The difference between the current and desired capital stock is created by lags in decision making and delivery, giving rise to the change in the capital stock. The deficiencies in this theory relate to the inconsistency of the assumptions of perfect competition and exogenously determined output. The assumption of static was inappropriate. These necessitated the formulation of an alternative theory by, “The author in [17]”.

The theory, referred to as Tobin’s Q theory, emphasizes the relationship between the increase in the value of the firm due to the installation of additional capital and its replacement cost. Investment, therefore, is a function of the difference between the market value of the additional unit of capital and its replacement cost. This ratio (known as marginal Q) may differ from unity due to delivery lags, adjustment and installation costs. On account of measurement problems, marginal Q is proxy by the ratio of the market value of the entire capital stock to its replacement cost (the average Q ratio) Tobin’s Q theory has been criticized on the following grounds, “The author in [17]”.

The marginal and average Q will systematically differ if firms enjoy economies of scale or market power or are unable to sell all they want; The assumption of increasing installation cost is unrealistic; The cost of additions to an individual firm's capital stock is likely to be proportional or even less than proportional to the volume of investment because of the indivisibility of many investment projects and Disinvestment is more costly than positive investment as capital goods are often firm specific and so have little resale value.

To deal with this point, suggests that investment can be considered irreversible in an extreme situation. This implies that investment decision can be viewed from the perspectives of reversibility and irreversibility. While under conditions of certainty, irreversibility creates a wedge between the cost of capital and its marginal contribution to profit, under uncertainty (where irreversibility has important implications for investment decisions) irreversible investment can be adversely affected by risk factors. This means that under uncertainty, firms acquiring additional capital presently stand the risk of being stuck with excess capacity in the future that cannot be eliminated. This notion amplifies the importance of uncertainty in investment decision making, "The author in [17]".

According to "the author in [11]". The problem of uncertainty is more severe in developing countries where transformations inherent in development such as the establishment of new firms and new industries and the absorption of new technologies heighten uncertainty. The disequilibrium approach of and view investment as a function of both profitability and demand for output. This approach suggests that investment decisions have two stages viz: The decision to expand the level of production capacity; and the decision about the capital intensity of the additional capacity. The first stage depends on the expected degree of capacity utilization in the economy which provides an indicator of demand conditions; while second stage depends on relative prices such as the cost of capital and labour. The implication of this dichotomy is that while factor proportions are assumed variable before the investment, and fixed after it, investment decisions take place under conditions in which firms may be facing current and expected future sales constraints. The disequilibrium model, however, has been criticized for the simplicity of its assumptions regarding expectations and its inability to explain price rigidities. The coordination failure model states that total investment depends on the inability of individual agents to successfully coordinate their investment decision in a decentralized economic system.

Furthermore, "the author in [11]", emphasized that coordination problems derive principally from shortcomings in markets for information and risk sharing. Both types of problems exist in all economies but the consequences tend to be worse in developing economies. For example, in developing economies, information problems such as poor accounting standards; and a dearth of banks and other institutions to monitor corporate performance mean that bond and equity markets are often weak or entirely absent. Also, limited market mechanism for sharing risk (firms often cannot buy insurance for the most serious risks they face) as a result of lower wealth levels in developing economies make households and firms more vulnerable. Monopolistic competition and increasing returns to scale are common causes of coordination failure.

Against this background, the return on investment depends on the overall level of economic activities which in turn is positively affected by the volume of aggregate investment.

Financial constraints on investment are gaining prominence in the literature. “The author in (38)”, Suggests that at the micro level, firms may face binding financial constraints in domestic capital markets because interest rates are controlled or subjected to endogenous credit rationing. Restrictive monetary and credit policies affect investment in two ways. They increase the real cost of bank credit and by raising interest rates, increase the opportunity cost of retained earnings. Both mechanisms raise the user cost of capital and lead to a reduction in investment. Asymmetric information, adverse selection and incentive effects may make interest Asymmetric information relates to a situation in which parties to a transaction do not have the same information. Thus, agreements are reached to the advantage of the party with more information. The acquisition of information, therefore, becomes critical to investment. Similarly, the adverse selection principle says that those who are most desperate to buy insurance for example are those at risk, so charging a high price for insurance will discourage those at less risk from buying insurance at all. In the case of credit, if interest rates reflect high demand for loans, marginal discriminate against marginal borrowers. Incentive or subsidies also cause distortions in the market.

Under these conditions, creditors prefer credit rationing and qualitative constraints to reliance on the market as most of them are unable to manage their risks due to inadequate information or the effect of adverse selection.

3. Literature Review

3.1. Theoretical Review

This research hinges on theories Schumpeterian growth theory, endogenous growth theory, neoclassical theory, institutional theory and resource- based theories to analyze the theoretical vie of future financing and investment in Nigeria.

- According to **Schumpeterian growth theory**, financial innovation leads to economic growth by promoting technological progress and increasing the rate of productivity growth, “the author in [4]”. This theory posits that financial innovation, such as the introduction of new financial instruments or the development of new financial markets, can increase investment in research and development (R&D) and facilitate the commercialization of new technologies, which in turn leads to higher productivity and economic growth.
- **Endogenous theory** propounded by “the author in (26)”. The theory captures the potential effects of savings and investment on economic growth as a linear function of capital accumulation. The theory assumes that efficient financial sector might affect economic growth through three channels namely: reduction in transaction costs and channeling of increased savings to firms for productive investments, improving the allocation of capital and rate of savings. The two theoretical frameworks are very essential because they offer useful explanations on how savings and investment affects economic growth in Nigeria. Endogenous growth theory suggests that financial innovation can promote economic growth by increasing the availability of credit and reducing the cost of capital (Ibi, 2018). According to this theory, financial innovation can lead to increased investment and entrepreneurship, which in turn leads to higher productivity and economic growth.
- **Institutional theory** posits that the institutional environment, including the legal and regulatory framework, is an important determinant of financial innovation and economic growth “the authors in [20]”. This theory

suggests that a well-functioning financial system with clear property rights, efficient contract enforcement mechanisms, and effective regulation can facilitate financial innovation and lead to economic growth.

- **Neoclassical theory** of savings and investment theory explains how savings and investment determine the level of economic growth. The endogenous growth theory offers useful link through which accumulated savings are channelled to productive investments (through lending activities) for economic growth. All these attributes of the theories make them useful for this present study. Neoclassical Economics is the name given to an economic theory that was developed at the end of the 19th and the beginning of the 20th Century in Europe. The main contributors to this theory were Léon Walras (1834-1910), Alfred Marshall (1842-1924) and Vilfredo Pareto (1848-1923), according to “the author in [26]”. The issue that neoclassical economists dealt with was the distribution of power between industrialists and workers so as to ensure proper savings and investment. Neoclassical theory of savings and investment are today a matter of intense concern to millions of people around the world. The most basic questions people faces are: How much of their income should they save for the future? What risks should they insure against? How should they invest what they save? This theory believed that since consumption is a function of disposable income, and savings is income not spent while investment is the income spent. This means that savings and investment are also a function of disposable income. This theory states that savings determine investment and is concerned primarily with market equilibrium and economic growth at full employment instead of with the under-employment of resources.
- **Resource-based theory** suggests that financial innovation can lead to economic growth by enhancing the efficient allocation of resources, “The authors in [22]”. This theory posits that financial innovation can help to identify and allocate resources to their most productive uses, thereby increasing efficiency and economic growth.

3.2. Empirical Review of Literature

Several studies have explored this relationship and provided insights into the potential impacts of financial innovation on economic growth. Several studies have investigated the relationship between financial innovation and economic growth in both developed and developing countries. While there is no clear consensus on the impact of financial innovation on economic growth, it is clear that financial innovation can have both positive and negative effects, and that appropriate regulation is necessary to ensure that financial innovation contributes to economic growth and stability, “the author in [15]”.

“The authors in [29]” examined the relationship between financial development, including financial innovation, and economic growth. The authors argue that a well-developed financial system, characterized by efficient financial intermediation and widespread access to financial services, fosters innovation and enhances economic growth.

“The authors in [12]” found that financial innovation has a significant positive effect on economic growth, particularly in countries with well-developed financial systems. “The authors in [3]” examine the relationship between financial innovation and economic growth in African countries. They find that financial innovation, particularly in the form of mobile banking, has a positive impact on economic growth in these countries. “The author in [6]” analyzed the impact of financial innovation on economic growth across a sample of countries and

found that the effect is positive and significant, with the most innovative countries experiencing the highest levels of economic growth.

“The authors in [43]” study investigates the relationship between financial innovation and economic growth in the European Union countries. It analyzes the impact of various financial innovation indicators on economic growth and finds evidence of a positive relationship, suggesting that financial innovation contributes to economic growth. “The authors in [42]” investigated the relationship between financial innovation and economic growth in China and found a positive and significant relationship between the two variables.

“The author in [22]” found that financial innovation positively impacts economic growth in Nigeria. A study by “The author in [7]” found that countries with more developed financial systems, which allow for greater financial innovation, have higher levels of economic growth. They argue that financial innovation can facilitate the flow of capital to productive investments, leading to increased economic activity. “The author in [10]” as seen in his paper provided an overview of the existing literature on the impact of financial innovation on economic growth. The study synthesizes empirical findings from various studies and discusses the mechanisms through which financial innovation affects economic growth, including increased capital allocation efficiency and enhanced risk management. Other studies, however, have highlighted potential risks associated with financial innovation.

For instance, financial innovations such as mortgage-backed securities were a contributing factor to the 2008 financial crisis. This highlights the potential negative effects of financial innovation, such as increased systemic risk and financial instability. Additionally, some studies have highlighted the importance of regulation in ensuring that financial innovation does not lead to negative consequences. “The author in [8]” studied the impact of financial innovation on economic growth in emerging markets and found that financial innovation positively affects economic growth in these countries.

“The author in [3]” argued that appropriate regulation is necessary to ensure that financial innovation contributes to economic growth, rather than causing instability. “The author in [9]” study analyzes the impact of financial innovation on economic growth in European countries. The authors find that financial innovation, particularly in the form of new financial instruments, has a positive impact on economic growth in these countries. “The author in [2]” found that financial innovation positively affects economic growth in Nigeria, and that the effect is more pronounced in the long run. “The authors in [42]” examined the impact of financial innovation on economic growth in the Asia-Pacific region and found that financial innovation has a positive effect on economic growth in these countries.

According to “The author in [1]”, the introduction of mobile money services has enabled more Nigerians to access financial services. “The author in [5]” empirical study investigates the relationship between financial innovation and economic growth using panel data from European countries. It employs dynamic panel techniques to examine the long-run relationship between financial innovation and economic growth, and finds evidence of a positive and significant impact of financial innovation on economic growth.

“The authors in [14]” studied the impact of financial innovation on economic growth in China's banking industry and found that financial innovation has a significant positive effect on economic growth. “The author in [24]” analyzed the impact of financial innovation on economic growth in India and found that financial innovation has a positive and significant effect on economic growth in the country. “The author in [39]” study focuses on the case of China and examines the relationship between financial innovation and economic growth. It employs a dynamic panel data model and finds a positive and significant impact of financial innovation on economic growth in China, highlighting the importance of financial innovation for the country's economic development.

“The authors in [16]” in a study examine the relationship between financial innovation and economic growth in the context of Islamic finance. The authors find that Islamic finance, particularly in the form of Islamic banking and sukuk, has a positive impact on economic growth in Muslim-majority countries.

4. The Constraints of Investors

As emphasized by “the authors in [36]” Individual and institutional investor *constraints* are either internally defined, that is, arising from investors’ specific circumstances and needs, or externally imposed. For instance, age (as well), taxes and regulation are obligatory, while liquidity and other special needs are investor-specific. In general, constraints limit investment choices and, along with the objectives, they determine the investor’s appropriate investment mix. Let us briefly explain each of these constraints.

- **Taxes on investment returns** usually have to be paid (unless the investment instrument is a tax-exempt one, like a municipal security), and the correct rate of return on an investment should be defined as the after-tax return. Both investor groups are concerned with tax-sheltering policies or tax-deferred investments in an effort to meet their respective objectives, “the authors in [36]”.
- **The regulatory environment** also limits investor actions. For example, institutional investors are bound by federal, state, and local rules and regulations regarding their conduct of business. The prudent man law, for example, refers to the fiduciary responsibility that professional investors have to serve the best interests of their clients (or investors). Several agencies regulate the business of investing, such as the Securities and Exchange Commission (SEC) and the Federal Reserve (Fed), “the authors in [36]”.
- **Liquidity constraints** pertain to both investor groups and refer to the ability and the cost with which an asset can be converted into cash. For example, if an investor has a specific need to set aside an amount of money for a major purchase then this amount is considered a (liquidity) constraint. An asset that can be exchanged for cash quickly and with little cost is a liquid asset. Money market instruments, such as Treasury bills, are highly liquid, while capital market instruments such as bonds are less liquid. Cash is the most liquid asset and real estate is the least liquid asset, “the authors in [36]”.
- **Age** can also be a constraint because it defines the investor’s investment horizon. As explained above, although the stage in the investor’s life shapes the investment objectives, it can also affect the choice among assets. For example, if an investor knows that he will need a specific amount of money at some future period, then investing in a bond whose maturity coincides with that period could be the rational choice for that investor, “the authors in [36]”.

Finally, investors differ among themselves in their specific circumstances at different stages of their life, if they are **individual investors**, or in their unique investment policies, if they are institutional. For example, a married couple with children will naturally have to think about their children's education, while for a single individual this may not be a concern. An **institutional investor**, say an **endowment fund** (which entails the management of portfolios for the benefit of nonprofit institutions such as a university), usually applies a conservative investment policy, but such an objective may change given a substantial change in the university's circumstances. Finally, the **amount of initial capital** might be a constraint for a novice investor, but this may not be a real disadvantage if he chooses specific investment vehicles such as mutual funds, "the authors in [36]".

"The authors in [36]" further noted that a written description of an investor's return objectives and constraints along with his investment horizon and risk tolerance is known as the investor's investment policy statement. Such a statement serves as the foundation before the professional portfolio manager takes any investment action on behalf of the investor (his client). The next step is to create the investor's portfolio, execute it and then monitor and evaluate it. Let us now explain briefly the (portfolio) investment management process.

5. Conclusion and Policy Recommendations

The crisis has forced anew the debate on whether macroeconomic policy should be concerned with high asset price increases and leverage. It has also underscored the deficiencies in national financial regulation and supervision. Several voices in both academia and world organizations have voiced their concern about the way the global financial system functions and proposed various ways to fix the system and avoid future financial crises of that magnitude. Specifically, they propose the following reform agendas.

- There should be strict decisions in objectives and proper implementation of monetary and fiscal policies as well as the regulatory environment.
- It is accepted that one cause of the global financial crisis was the deficiencies or shortcomings in the countries' financial regulatory environment. Suggestions include better and prudential supervision of financial institutions, capital regulation, and liquidity issues. The consequences of financial activities need to be better understood so that improved information disclosure, corporate governance practices, and greater coordination within and across countries can be implemented.
- Better surveillance of financial risks and vulnerabilities is needed, which can be achieved by closer cooperation among international agencies. Better information is essential in order to understand risk assessment. Amounts outstanding end of period, not seasonally adjusted. Assets and liabilities sides do not add up because of omitted items is evident from the graph, we see a rapid change in assets and net Worth With Liabilities Remaining Roughly Constant.

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