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EFFECT OF BANKS MERGER AND ACQUISITION ON THE NIGERIA'S ECONOMIC GROWTH: A COMPARATIVE ANALYSIS OF PRE AND POST PERFORMANCE

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ABSTRACT
Business combination over mergers and acquisitions (M&As) have become global phenomenon to achieve economies of scale and higher productivity. This study examined effect of banks' mergers and acquisitions on Nigeria's economic growth prior to and after merger sessions. The study made use of secondary data obtained from Central Bank of Nigeria (CBN) Statistical Bulletin covering the period 1990–2004 for Pre-M&As and 2005–2019 for Post-M&As totaling 30 years. Descriptive statistics and ordinary least square regression were employed for data analysis. The results indicated that in the Pre-M&As era, bank's capital base, credit granted to the private sector and bank spread positively enhanced economic growth howbeit; bank's gross credit adversely affected GDP. Findings also revealed that Post-M&As era contradicted Pre-M&As period, with all variables showing insignificant and unexpected relationship with economic growth, except credit granted to the private sector. This indicates that banks' M&As has not positively and adequately impacted on Nigeria's economic growth during period under consideration. As a result, te study recommends that banks' regulatory and supervisory framework should be strengthened and healthy competition should be promoted.

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INTRODUCTION

Banks contribute significantly to economic growth of any nation (Alam, Rabbani, Tausif & Abey, 2021). They play an intermediation role by facilitating money movements between both fund-suppliers and fund-demanders (Almahadin, Gasaymeh, Alrawashdeh & Siam, 2021). Through banks, mobilization of savings serves as catalyst for investment (Abdullahi, 2002; Mordi, 2004), thus, creating wealth through capital formation, stimulating economic growth and providing risk management services (Dogarawa, 2011). However, for banks to achieve these goals optimally, they must be reordered over reform processes targeted toward revamping and incorporating the banking sector into an all-inclusive financial system. These reforms may be introduced in both advanced and emerging economies so as to rectify observed inadequacies impairing the financial sector (Dogarawa, 2011; Ebimobowei & Sophia, 2011). In terms of institutional numerical strength, board composition, and entire operations, these reforms involve remarkable changes. The process of bank consolidation is indication of an effective reform strategy. Consolidation is the process of integrating many elements into a single unit. In financial sector, consolidation is similar to the merging. According to Adegbaju and Olokoyo (2008), when company A purchases company B in a merger, the existing company is buyer A and when A and B merge, company C is formed.

In Nigeria, banking consolidation operation in 2012 resulted in the formation of 21 commercial banks from 89 banks in existence before 2004. Since 1980, approximately 7,000 bank mergers have occurred in the United States, with a similar pattern emerging in the United Kingdom and other parts of Europe. In 1997, Eurozone experienced 203 bank mergers and acquisition (M&As). In 1998, bank with a capitalisation of US $688 billion was established in France, while a merger of two banks in Germany resulted in Germany's second largest bank with a capitalisation of US $541 billion in the same year (Ikpefan, 2012). Banking institutions around the world have been expanding through M&As, in hopes of lowering costs, increasing earnings and enhancing market share (Coccorese & Ferri, 2019). These strategies give merging firms a competitive advantage (Khan, et al., 2020). Akinsulire (2002) pointed out that M&As is a technique for achieving a synergistic impact that carefully planned. Li, Qiu and Shen (2018) asserted that it bring about increased economic growth and boosts market share. Gomes et al. (2017) stressed that M&As impact on the firm's local and worldwide, operations, result in cost efficiency and the associated benefit of economies of scale inside the organization. Furthermore, Oloye and Osuma (2015) reported that M&As are important in boosting the public trust, growing stakeholder assets, and improving operational productivity and economic stability. M&As, according to Central Bank of Nigeria (2005), improve bank sustainability and performance while also expanding economy's potential.

However, in Nigeria, Soludo (2006) asserted that though consolidation which occurred in the financial industry was done exclusively to re-capitalize banks and strengthen financial position yet its economic impact was negligible as there are still insolvent banks because of enormous non-performing loans. As result, it is needed to study the effect of M&As on Nigerian economy. Moreover, studies on M&As in Nigerian banks generate diverse range of outcomes. As example, Altunbas and Ibanez (2004) reported that M&As improves banks profitability. Ahmed, Manwani and Ahmed (2018) also opined that M&As increased the performance and productivity of banking organization. Olagunju and Obademi (2012) concluded that M&As play a crucial role in the financial sector. However, some studies have mentioned issue of M&As failure rates like Warter and Warter (2017) who admitted that central issue in M&As remains the high rate of failure. Goyal and Joshi (2012) agreed that failure rates of M&As have remained consistently high. Puranam, Singh and Chaudhuri (2009) reported failure rates of between 60 % and 80%. Appah & John (2011) commented that M&As failure rates are generally far above 50 % in the banking sector, Ansari, Bilal, Khan and Tahir (2021) reported that M&As have no substantial effect on banks. Arising from inconsistencies in findings; this work seeks to investigate effect of banks' Pre and Post M&As on Nigerian Economy. The research will provide answers to following questions:

i. What is the effect of Banks' Pre- M&As on Nigeria's Economic growth?
ii. Does Banks' Post-M&As affect Nigeria's Economic growth?

LITERATURE REVIEW

This section presents the review of literature of this study based upon existing research. The chapter is presented in three sections consisting of the conceptual, theoretical and empirical reviews.

Mergers and Acquisition

A merger, according to Fatima and Shahzad (2014), Owokalade (2006), is a form of corporate pairing in which two or more entities integrate to constitute one, with one firm's equity being obtained by another and owners of the smaller firm becoming shareholders in larger company. An acquisition is referred to as the merger (Alao, 2010; Dubey, 2007). The acquirer maintains ownership of the purchased firm and can engage in competitive or friendly operations with it. Consolidations are not the same as M&As, which are corporate mergers in which two or more firms unite to establish a larger firm. Only the new entity remains active once all of the merging companies have been dissolved (Okonkwo, 2004). The two companies get a competitive edge in terms of performance, capital, and resources when they merge their activities that needed the comprehensive requisition from particular context. This lowers the number of competitors in the market, giving them an advantage over others (Malik et al., 2014; Geln, 2011; Okonkwo, 2004). When one firm buys the controlling shareholding interest of another, this is known as acquisition. Two autonomous entities or corporations are normally formed at the end of the process.

Mergers & Acquisition Transactions in Nigeria

It is undeniable that Nigeria has progressed in recent years in terms of adopting mergers and acquisitions for goals of the restructuring firms or improving investment returns. It's a welcome change from previous years, when foreign-owned corporations accounted for the majority of M&As. The earliest case of M&As in Nigeria in 1912 is that of Anglo African Bank, formed by British Bank of the West Africa, founded in 1892. These institutions spawned the First Bank of Nigeria Plc. Since then, several businesses have followed suit. Most notable M&As in Nigeria's private sector happened in the banking sector in 2005. The Central Bank of the Nigeria (CBN) implemented policies to consolidate DMBs, facilitating their contribution towards economic growth. The CBN instructed banks that their shareholders' funds should be increased from two billion naira to twenty-five billion naira (25 billion naira). The population of Nigerian banks has declined as a result of this policy, from 89 in 2005 to twenty-five in 2006, then to twenty-four in 2004. The incumbent banks' failure to meet new policy's financial requirements caused the decrease. Following the Nigerian merger wave of 2005, another wave of mergers emerged in the banking sector in 2011, with purpose of addressing operational issues such inadequate governance, poor financial planning, operational inefficiencies, and financial deepening (Ajayi, 2005).

Nigerian Banking Industry & Effect of M&As

Before the recent bank M&As, which was propelled by CBN 13-point reform plan and launched on July 6, 2004, DMBs in Nigeria had monopolistic tendencies, with noticeable qualities of the market structure and dominance. According to Lemo (2005), the top ten (10) banks hold more than half of total assets, half of all the deposit liabilities, and more than half of the total credits.

Accordingly, small banks with capital of less than $10 million (N1.4 billion) dominated sector, making it heavily reliant on the government. M&As or any other means of consolidation may have an impact on bank interest rates, competitiveness, and working capabilities of monetary policy in the sense that increased size and reorganization potential may result in efficiency benefits that lower marginal costs, enhanced the market power, or both. Enhanced performance would be achieved by broadening the scope of the activities (if there are economies of scale). Because reform is intended to improve effectiveness both in procedures and in economy as a whole.

THEORETICAL REVIEW

In 1955, Gunther proposed the Synergy Gain theory. He propounded the theory that 2+2 =5. In general, M&As happen because it produces 'synergy' between the acquirer and target, which enhances the company's worth (Kathy, 2005). M&As are embarked upon to achieve strategic advantages from combined enterprises. Bolouopremo and Ogege (2019) asserted that synergy is major reason behind any merger and acquisition deal. The valuation of the combined company is assumed to outperform value of the acquiring and acquired firms separately. Operating and financial synergies are developed as result of economies of scale. That is to say, when two firms link up, their fixed costs are spread across wider manufacturing scale, therefore lowering fixed costs. Aside from economies of scale, there are economies of scope, which include integrating acquirer's and target firm's matching resources to create synergy gains. Synergies, according to Kathy (2005), are returns that can be realized over process of merging, rendering them merger-specific.

EMPIRICAL REVIEW

Obuobi, Nketiah, Awuah and Amadi (2020), examined effect of M&As on Ghanaian banking system using 2012 recapitalization exercise as a bench mark. The study employed the ex-post factor research design. Variables from camel rating were used over a 12 year period. The t-test for equality of mean was employed in testing the hypothesis. Their study concludes that M&As promote performance of banks in Ghana. Umoren and Olokoyo (2007) examined the effect of M&As on DMBs performance in Nigeria. Profitability, liquidity and solvency were dependent variables with M&As being the independent variable. The study collected secondary data from thirteen sampled (13) mega banks. Results showed that M&As resulted into improved financial performances on average. Okpanachi (2011) made a comparison between Pre and Post-M&As of DMBs in Nigeria. The study employed gross earnings, profit after tax, and net assets of some DMBs as indicators to measure performance of DMBs after M&As. The data showed that DMBs performance improved when evaluating Pre and Post-M&As periods. Bakare (2011) investigated pattern and economic implications of bank mergers in Nigeria using Sample Test methodologies and E-view statistical tools. The analysis discovered that banks are better capitalized and less volatile as result of M&As. It showed that recapitalization has a small but considerable impact on economy.

Kanu and Anyanwu (2015) investigated the post consolidation review of M&As and banking sector performance in Nigeria from 1999 to 2014. Findings revealed that M&As improved bank performance in terms of profit before taxes and total assets in a positive and significant way. Omoye and Aniefo (2016) studied the effects of M&As in the Nigerian corporate climate on the performance, liquidity buy-outs, and share prices. The research was conducted over a period of time. The findings revealed that M&As have considerable and positive influence on the Nigerian businesses. In an exploratory study, Okafor (2019) investigated the performance enhancing components in M&As. Low acquisition purchase premiums, as well as timing of M&As, as well as related business purchases, were discovered to considerably boost the success rate of M&As. In contrast, Somoye (2008) researched into effect of Post-M&As of government-induced banks in Nigeria. He exposed that M&As alone might not be enough to guarantee sustainable growth. According to the report, the consolidation program has had minimal impact on the banking industry's overall performance and has also contributed little to the real sector's long-term development. In this connection, Suberu and Aremu (2010) investigated corporate governance and M&As of DMBs in Nigeria. They employed 25 DMBs stemming from regulatory pressure for M&As.

The main conclusion was that DMBs are responsible for economy's dismal performance due to their reliance on imports rather than long-term investment thus maximizing shareholder's profit. Appah and John (2011) researched into how M&As affected DMBs profitability. Ex-post facto research design was employed with sample size of ten banks. Findings revealed that DMBs performed better during Pre-M&As period. Owolabi and Ogunlalu (2013) discovered that the M&As of DMBs doesn't necessarily enhance financial position of DMBs, DeLong and Deyoung (2007) and Amel et al. (2004) stated that M&As have no evocative effect on DMBs profitability. In the Post-M&As era of the Nigerian banking sector, Akinbuli (2013) explored the effects of M&As on the profitability of corporate organizations. Findings demonstrated that, while M&As are not a panacea for corporate financial hardship, they are a viable option. M&As were found to be simply temporary remedy to financial difficulties, not long-term answer. Musah, Abdulai and Baffour (2020), in research studied effect of M&As on commercial banks performance in Ghana. The study made use of data extracted from audited report of all the eight (8) banks for ten (10) year duration, (2009-2018). Analysis of data included the descriptive, regression and correlation. The results revealed that M&As have remarkably negative relation with net profit margin.

Hypotheses of Study

1H0 : Banks'Pre-M&As have no effect on Nigeria's Economic growth
2H0 : Nigeria's Economic growth is not affected by Banks' Post-M&As

RESEARCH METHODOLOGY

This section identifies processes that were followed while conducting this study. This chapter's basic features are the research design, population and sampling, data collection and analysis respectively.

Research Design

The research design employed by the study is expo facto design in order to examine the effect of M&As of DMBs on the economy. In this connection, data was collected for Pre-M&A period from 1990- 2004 as well as Post M&A period from 2005-2019. The data was analyzed, and performance in these eras was compared to estimate Pre- and Post M&As effect on Nigeria's economy.

Population of Study

These are the entire Twenty four (24) DMBs in Nigeria at the time when current study was led which have gone through M&As and hold the operating license issued by CBN as at December, 2019.

Model Specification

Several models have been offered in existing literature, this study adopted model specified by Busari and Adeniyi (2017) and adapted it to suit aim of study. Hence, adapted study is specified thus:

RGDP = f(BCAP, BGC, BDE& CPS)…………………………….Eq(1)
Eq(1) can be transformed into econometric model thus:
RGDP = $\beta 0 + \beta 1$BCAP + $\beta 2$BGC + $\beta 3$BDE + $\beta 4$CPS + ut……………….Eq(2)
Taking the natural logarithm of Eq(2) produces:
logRGDP = $\beta 0 + \beta 1$logBCAP + $\beta 2$logBGC + $\beta 3$logBDE + βlogCPS + ut………Eq(3)

Where:
RGDP = Gross Domestic Product
BCAP = This is the total capitalization of all DMBs in Nigeria
BGC = Gross credit (or loans) given to the Economy by DMBs.
BDE = Density of DMBs operating in Nigeria
CPS = Credit granted to the private sector by DMBs in Nigeria
$\beta 0$ = denotes the regression constant.
$\beta 1$- $\beta 4$ = coefficients of the variables to be evaluated

Sources of Data

The CBN's Statistical Bulletin and the Annual Financial Statements of selected DMBs provided secondary data for this study, which spanned for fifteen years from 1990 to 2004 for Pre-M&As era and 2005 to 2019 for the Post-M&As era. Thus, the OLSR Technique was used for the data analysis.

RESULTS AND DISCUSSION

Table 1

Summary of Descriptive Statistics

	LRGDP	LBCAP	LBGC	LBDE	LCPS
Mean	10.04219	2.892059	5.388687	7.788155	12.81369
Median	9.989165	2.871670	5.609089	7.765569	12.81187
Maximum	10.46369	4.958110	7.325967	8.158230	14.23372
Minimum	9.862617	1.311759	3.258100	7.569928	11.23131
Std. Dev.	0.188548	1.367209	1.339798	0.167944	0.965563
Skewness	1.086478	0.237653	0.364755	1.063692	0.475997
Kurtosis	2.962860	1.517701	1.791312	2.133335	1.935674
Jarque-Bera	2.951948	1.514453	0.980940	2.839713	0.680708
Probability	0.428556	0.468965	0.612338	0.441749	0.711519
Sum	150.6328	43.38089	80.83030	116.8223	166.5779
Sum Sq.Dev.	0.497706	26.16964	25.13084	0.394874	11.18774
Observations	15	15	15	15	15

Source: Author’s Computation (2021)

Table 1 shows the results of descriptive analysis performed. It displayed overview of statistics, such as the mean, median, standard deviation, and metrics of the distribution's symmetry and normality.

Table 2

Summary of Regression Result (Pre-M&As Period)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.100260	0.705750	7.226724	0.0001
LBCAP	0.116097	0.030088	3.858590	0.0048**
LBGC	-0.074422	0.047791	-1.557254	0.1580
LBDE	0.554471	0.056909	9.743182	0.0000**
LCPS	0.054295	0.062860	0.863743	0.4129

Table 2a

Summary of Regression Result (Pre-M&As Period)

R-squared	0.788081	Mean dependent var	10.06939
Adjusted R-squared	0.782122	S.D. dependent var	0.188316
S.E. of regression	0.025180	Akaike info criterion	-4.241826
Sum squared resid	0.005072	Schwarz criterion	-4.024538
Log likelihood	32.57187	Hannan-Quinn criter.	-4.286489
F-statistic	165.7998	Durbin-Watson stat	2.057247
Prob(F-statistic)	0.000000		
Dependent Variable: LRGDP		Method: Least Square	
Sample (adjusted): 1992 2004		Included observations: 13 after adjustments	

LRGDP: Gross Domestic Product of Nigerian economy; LBCAP: Total capitalization of the entire DBMs; LBDE: Density of the DMBs; LCPS: Credit extended to private sector by DMBs : BGC gross credit (or loans) granted by the DMBs to Nigerian economy: Notes: ** 5% level of significance * 10% level of significance

Source: Author's Computation (2021)

The result of the Pre- M&As effect of the DMBs on Nigerian economy as indicated in Table 2 is stated as: RGDP = 5.100 + 0.1161BCAP – 0.0744BGC + 0.5544BDE + 0.0543CPS + e0. From above equation, all proxies of banks' performances in Pre- M&As era are positively associated with RGDP except BGC. Banking capitalization (BCAP), bank density and expansion (BDE) and credit granted to private sector (CPS) are positively related to RGDP. However, while the relationship of BCAP and BDE are significant, that of CPS is not significant. Moreover, gross credit granted by the banks to economy maintains negative and insignificant relationship with RGDP

Table 3

Summary of Regression Result (Post- M&As era)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.171848	0.685532	9.003005	0.0000
LBCAP	-0.036971	0.171070	-0.216114	0.8332
LBGC	-0.073503	0.039953	-1.839742	0.0956*
LBDE	-0.012261	0.020911	-0.586361	0.5706
LCPS	0.354839	0.068756	5.160847	0.0004**

Table 3a

Summary of Regression Result (Post- M&As era)

R-squared	0.734656	Mean dependent var	10.94125

Adjusted R-squared	0.708519	S.D. dependent var	0.220258
S.E. of regression	0.066619	Akaike info criterion	-2.318456
Sum squared resid	0.044381	Schwarz criterion	-2.082440
Log likelihood	22.38842	Hannan-Quinn criter.	-2.320970
F-statistic	35.75928	Durbin-Watson stat	0.883697
Prob(F-statistic)	0.000007		
Dependent Variable: LRGDP		Method: Least Squares	
Included observations: 15		Sample: 2005 2019	

Same as Previous

The result of Post- M&As effect of the DMBs on the Nigerian economy as indicated in Table 2 is stated as: RGDP = 6.17 – 0.0369BCAP – 0.0735BGC - 0.0123BDE + 0.3548CPS + e0. Findings revealed that all the banks' performance indicators in the Post-M&As era are negatively related with RGDP except CPS. The credit granted to private sector (CPS) still maintains considerable and positive relationship with RGDP, in such a manner that 1% increase in CPS produces 35% increasing resultant effect on RGDP and vice versa. Also, the relationship shown by CPS in the Post- M&As era is the only statistically significant relationship recorded in this period. On the other hand, gross credit granted by banks to the economy remains negative and statistically insignificant.

DISCUSSION

According to the descriptive analysis given in Table I, CPS has the highest mean score (12.81), followed by RGDP (10.04), BDE (7.79), and BGC (5.39), with BCAP having the lowest mean value (2.89). Also, the deviations from the mean values reveal that all the parameters cluster closely around their means values as they all have low values of standard deviations when compared with their mean values. The result of the skewness and kurtosis which measure the symmetry of the variables and the tail shape of the variables are also indicated in the table. Findings on skewness showed that all the variables under study were positively skewed which implies that their normal curve have long right tails. The coefficients of kurtosis shows that all the variables under consideration have tiny tails as their kurtosis coefficient were less than three. The Jarque-Bera statistics which is a test of normality revealed that all the variables have probability values that are greater than 0.05 critical values. Thus, the results demonstrated that all the parameters studied are properly distributed. The result of the regression analysis in Table 2 for the Pre-M&As era showed that the parameters tested accounted for 78.8% of the changes in GDP while 21.2% is due to unspecified the components in the model. The F-statistic value of 165.799 is significant. The constant parameter being 5.100 implies that economic growth will increase by 5.100 units if all external factors are kept constant. Total capitalization of banks (BCAP) is thus positively and significantly associated with economic growth in the Pre-M&As era. Hence, a unit increase in BCAP equals a 0.1161 increase in the economic growth indicator.

Also, the density of banks (BDE) positively and significantly affects GDP in the Pre-Merger era. Having a value of 0.5544 reveals that a unit increase in BDE enhances GDP by 0.5544 units. This may be that as the number of banks increase, economic growth is enhanced. Many people will have easy access to financial institutions thus increasing the rate of financial inclusion. Credit or loans granted to the economy (BGC) whose value is -0.0744 have no significant effect on GDP at the Pre-M&As era. This means that when BGC increases by one unit, GDP reduces by 0.0744. Credit to Private Sector (CPS) has a value of 0.0543. This demonstrates that CPS has a small but positive influence on economic growth. GDP increases by 0.0543 units for every unit increase in CPS. As a result, the bank credit to private businesses has not been efficiently channeled, and bank funds intended to them have not been optimally employed to boost the economic growth during the Pre-M&As period. This outcome corroborates the results of Appah and John (2011) and Adeusi and Oke (2013) who reported similar findings. Moreover, in Table 3, for the Post-merger era, findings revealed that the parameters tested accounted for 73.5% of changes in GDP while 26.5% is due to unspecified components in model. The F-statistic value of 35.79 is significant. Constant parameter shows that if all external factors remain constant, economic growth will increase by 6.172 units. BCAP is the inversely proportional to economic growth, with value of -0.036 show that unit rise in BCAP causes 0.036 unit decrease in economic growth.

Also, the coefficient of BDE which is -0.0123 portends a negative effect on GDP which signifies that a unit increment in BDE reduces economic growth by 0.0123 units. A possible explanation is that there are fewer banks in the country as a result of M&As. Thus, this could affect the rate of financial inclusion, which could have detrimental effects on economy. At 10% significance level, BGC with coefficient of -0.0735 had noticeable but adverse effect on GDP. This indicates that every unit rise in BGC causes 0.0735 reductions in GDP. CPS has a positive and strong influence on GDP, with a coefficient of 0.354.This could be because M&As have repositioned Nigerian DBMs to lend more credit to the private sector in order for it to carry out productive activities, leading to a rise in GDP. The gross credits created by banks (BGC) was negative both in pre and post-merger and acquisition periods; this showed clearly that loans and advances made by Nigerian DMBs have not contributed significantly to economic growth. This could be owing to discriminatory priority given to unproductive sectors in loan administration, resulting in ineffective credit utilization by recipients. Findings show that M&As have had minimal effect on Nigeria economic progress. These findings are consistent with those of Sowore (2008), Bakare (2011), Delong and Deyoung (2007), Musah, Abdulai and Baffour (2020) and Ansari, Bilal, Khan and Tahir (2021) who concluded that Banks' mergers add very little to country's economic growth.

CONCLUSION

M&As are strategic tools which improve the operational efficiency and financial stability of an organization. In Nigeria, many researches on M&As focused on manufacturing companies, very few studies analysed its effect on service industries especially banking sector as it relates to the Pre and Post M&As periods. Therefore, this research evaluated the effect of banks' Pre and Post M&As on Nigeria's economic growth. Pre-M&As era was measured from 1990 – 2004 while Post-M&As was from 2005 -2019. Descriptive statistics and ordinary least square regression model were used for data analysis Findings revealed that during the Pre-M&As era, BCAP, BDE and CPS positively influenced economic growth, however, BGC have no significant effect on GDP. Therefore, owing to these findings, the null hypothesis that stated that banks' Pre- M&As have no effect on Nigeria's economic growth is hereby rejected. Results of Post-M&As showed that all bank indicators (BCAP, BDE and BGC) exhibited negative connection with economic growth except CPS which influenced economic growth positively. This implies that M&As have minimal effect on Nigeria's GDP. Also, findings from this study draws attention to the fact that M&As does not automatically enhance Nigeria's economic growth for period under thought. In view of the findings, the study recommends that the CBN should issue a special directive to the

DMBs to extend more credit to the private sector as a means of accelerating economic growth. Also, the federal government should always properly implement banks consolidations (M&As) in correct sequence by first maintaining macroeconomic stability thereby enhancing economic growth.

Contribution to knowledge

The research contributed to the existing body of knowledge by examining some indicators of banks' performance to proxy M&As which existing authors have not given attention over the years. Thus, these indicators are gross credit granted by DMBs, credit granted to private sector, the capital base of DMBs as well as density and population of banks in the Pre and Post M&As era.

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