Title of Articles: Mergers and Acquisition in Nigeria: Analysis of Performance Pre-And –Post Consolidation

Author(s): Umoren, A.O., Oyerinde, D.T. and F. O. Olokoyo

Outlet: Lagos Journal of Banking, Finance & Economic Issues, Department of Finance, University of Lagos, Vol.1, No. 1,

Date of Publication: 2007

Abstract: The banking reform pronounced on the 6th of July, 2004 had been a major wave towards a diversified, strong and reliable banking sector in Nigeria. This paper examined the mega banks be evaluating their performance two years pre-consolidation and a year post-consolidation. It examined the impact of consolidation on performance and considers if there had been considerable improvement on their profitability, liquidity and solvency. In this study, we analyzed the performance ratio of a sample of seven (7) mega banks; which composed of nineteen (19) constituent banks pre-merge. A descriptive analysis of these performance ratios was carried out. Correlation Analysis was used to test the impact of the performance ratios on the return on equity. We found that, on average, bank management should embrace broad product strategies, which could help in generating more income for the banks. They should also embrace diversification and financial innovation in order to produce new products and services.