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AN ANALYSIS OF POST- BANKS' CONSOLIDATION AND DEPOSIT MONEY BANKS' PERFORMANCE IN NIGERIA

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ABSTRACT

This research investigates the correlation between the consolidation of post-banks and the viability of Nigerian deposit banks from 2004 to 2022. The use and acquisition of time series data are derived from the CBN 2022 annual bulletin. The research used return on assets (ROA) as a measure of banks' performance and considered it the dependent variable. Additionally, total bank deposits, total bank credit, and interest rate are employed as explanatory factors to assess the impact of post-bank consolidation. Hypotheses are developed and empirically examined via the use of time series econometrics methodologies. The findings of the research indicate that the variables exhibit stationarity at this level. A long-term equilibrium link exists among the consolidation of post-banks and the performance of Nigerian deposit banks. The findings of this research provide confirmation that there is an approximate short-run adjustment speed of 54% for long-run disequilibrium. The r^2 suggests that around 50% of the fluctuations in the viability of deposit banks may be accounted for by changes in the variables related to post-banks' consolidation. The research suggests that it would be beneficial for bank management to enhance the effectiveness of their credit administration supervisory units as a means of mitigating the issue of non-viable loans. In order for Nigerian banks to have a significant presence in both local and foreign markets, it is imperative that their capital levels consistently exceed the minimal regulatory standards. Banks ought to actively intensify their overall marketing efforts while also conducting periodic evaluations of their shareholders' money and total assets.

Keywords: Analysis, Post-Banks' Consolidation, Banks' Performance, Nigeria.

INTRODUCTION

The pursuit of methods to enhance the quality of life for individuals has facilitated the exploration of various perspectives on frameworks of economic advancement (Andabai, 2016). Bank consolidation has been seen as a strategic approach that has the potential to expedite the rate of progress and advancement within the banking sector. As per the scholarly work of Soludo (2004), the strategic initiative undertaken to consolidate the Nigerian banking sector has duly acknowledged the pivotal elements imperative for the establishment of a financial system that is not only operational but also highly effective, aligning with globally recognised benchmarks of excellence. Hence, the execution of the requisite measures to attain this aim can be perceived as the pivotal element (Odutu, 2005). As per the scholarly work of Kama (2016), the successful attainment of the reform programme's objectives would undeniably yield a significant impetus to the progression of not only the domestic banking sector but also the global market at large. The pressing nature of the agenda has emerged due to the persistent deterioration in the fiscal soundness of financial institutions and the escalating frequency of banking collapses subsequent to the relaxation of regulatory measures. In light of the enduring predicament of illiquid and financially precarious institutions in Nigeria, Udoma (2004) elucidates that the Central Bank of Nigeria undertook decisive measures to address this matter. In 2004, the CBN made the strategic decision to augment the minimum capital requirement for financial institutions, elevating it from 2 billion naira to an esteemed 25 billion naira. This momentous alteration was accompanied by a stipulated timeframe, with the deadline for complete implementation set for the concluding day of December in the year 2005.

Further justifications for the implementation of the novel policy direction encompass the imperative to strategically reposition the banks, thereby aptly catering to the needs of economic improvement in Nigeria and thereby expediting the establishment of financial institutions that can effectively compete on a global scale. Moreover, this strategic realignment endeavours to harmonise with the prevailing universal

tendencies and restore an elevated degree of public trust in the financial industry (Andabai, 2011). As per the scholarly work of Ajayi (2005), the fundamental aim and objective of the aforementioned reform is to bolster the fortitude and competitiveness of financial institutions, with the ultimate aspiration of guaranteeing their enduring viability, yielding superior dividends for stakeholders, and cultivating a more substantial influence on the economy. The principal goal of bank consolidation is to foster economic advancement while concurrently augmenting shareholder prosperity, as evidenced by the valuation of the bank's shares (Kama, 2004).

Theoretical Review

The research is grounded in the theoretical framework proposed by Rosenstein-Rodan (1961), known as the "Big Push" hypothesis. According to the idea, economic growth and progress in a modern economy may be achieved by the implementation of a complete plan known as the "Big Push." This programme entails a substantial minimum investment requirement. The effectiveness of capital generation via the banking system has a significant role in determining economic advancement. According to Kama (2006), the purpose of the reform was to establish a banking industry that is diverse, robust, and trustworthy, with the primary goals of safeguarding depositor funds and fostering economic growth. According to Kolo (2007), the goal of the change was to facilitate banks exerting a more substantial influence on the country's economy. According to Ogubunka (2005), the primary beneficiaries of this endeavour are the average individuals who entrust their funds to banks and benefit from a more robust financial system that supports their entrepreneurial activities. According to Soludu (2004), the economy stands to gain advantages from the presence of globally interconnected and competitive banks, which can effectively facilitate the mobilisation of foreign money for the country's growth.

According to Nanna (2004), bank consolidation refers to the process of merging or acquiring two or more banks with the objective of enhancing their size, strength, commercial viability, and competitiveness on both regional and worldwide scales. According to Bellow (2004), consolidation considered to be a procedure that includes the reduction of the quantity of institutions that accept deposits while at the same time making the organisations that remain in the industry larger, more concentrated, and more effective. Based on the above information, bank consolidation refers to a deliberate process or policy endeavour aimed at enhancing the stability and reliability of banks, enabling them to effectively function as intermediaries among the surplus and deficit sectors within the economy. Capital restructuring refers to the process of making lasting changes to a company's financial structure, including long-term debt, ordinary stock, preferred stock, and retained profits. In the context of the consolidation programme, the focal point is the need for banks to have a minimum capitalization of N25 billion.

The first premise posits that managers need to provide equitable and unbiased treatment to all banks. The first principle asserts that no bank should get preferential treatment or be subjected to unfair treatment, while the second principle emphasises the need for clear and objective capitalization standards that are implemented in practice. The third concept is designed to facilitate and incentivize banks in the implementation of the plan. According to Umoh (2004), the successful achievement of the objective of capital restructuring through consolidation relies on several factors. Firstly, it is crucial that the agenda of the programme be clearly defined and precise. Additionally, it is important to ensure that participants are treated fairly and not subjected to any form of bias or discrimination. Lastly, providing incentives to banks can serve as a motivating factor for them to effectively implement the consolidation programme. According to the individual, implementing this measure would result in a decrease in systematic risk and an enhancement in operational efficiency. According to Akingbola's (2007) findings, the ongoing bank consolidation process in the Nigerian banking industry has resulted in a significant decrease in the number of operators, reducing it from 89 to 24. Consequently, the banking sector is now equipped with a greater ability to engage in intensified competition due to the expansion of their capital reserves. According to Kama (2006), a rise in liquidity was noted in the banking system of Nigeria as a consequence of the consolidation project, leading to a decrease in interest rates. The consolidation of capital among banks results in a rise in market capitalization, with an increase seen from 24 percent to 38 percent. The outcome of increased liquidity inside the system also led to a substantial decrease in

interest rates. Banks now possess an increased capacity to provide financial resources for larger-scale transactions.

Empirical Review

In their study, Adegbagu and Olokoyo (2008) employed statistical measures of central tendency, including the mean and standard deviation. Furthermore, the researchers utilised various statistical methodologies, including the t-test and the test of equality mean, to thoroughly investigate the ramifications of recapitalization on the overall viability of Nigerian financial institutions. The results of the research indicated that the metrics employed to assess the profitability of banks, specifically the Yield on Earnings, Return on Equity, and Return on Assets, demonstrated significant statistical importance. This statement suggests the presence of a condition wherein there is a balanced statistical state concerning the mean values of the bank recapitalization before and after the year 2005.

The purpose of Somoye's (2008) study was to evaluate the effectiveness of government-led bank consolidation and its subsequent effects on Nigeria's macroeconomic environment in the years following consolidation. He made the observation that the phenomenon of bank consolidation may not inherently possess the inherent capacity to effectively tackle the issues surrounding the stability of the financial system and the advancement of sustainable development. The research postulates that the consolidation programme has not yielded substantial enhancements in the overall efficacy of the banking industry, nor has it made noteworthy contributions to the expansion of the tangible sector with the aim of fostering sustainable development.

Umah (2009) conducted a comprehensive analysis utilising regression techniques to investigate the ramifications of banking sector recapitalization on employment within the Nigerian banking sector. The empirical analysis has unveiled that the infusion of stockholders' funds, the aggregate value of assets, and the proliferation of domestic branches collectively account for a substantial 62% of the overall employment within the banking sector. The recapitalization initiative during the specified period resulted in a notable surge in employment within the Nigerian banking sector.

In a scholarly investigation, Ezeoha (2007) examined the impacts of banking sector consolidation in Nigeria from a structural perspective. The ongoing consolidation of the financial sector in Nigeria can be perceived as a strategic endeavour by the CBN to address the persistent issue of bank distress and failure. This concerted effort also aims to realign the industry in order to effectively tackle the economic challenges faced at both the national and global levels. The research reveals that certain operational challenges encountered by banks, even prior to consolidation, are of an extrinsic nature, persisting within the economy. The research posits that the resolution of the industry's predicament cannot solely rely on consolidation unless the underlying economic challenges, such as the feeble state of the national economy, the lamentable condition of the infrastructure, and the diminishing level of public trust in the comprehensive economic and financial reforms being implemented in the country, are effectively tackled. In the absence of addressing these issues, the anticipated advantages of consolidation may prove arduous to achieve.

In the study conducted by Bakare (2011), a complete investigation of the movement and growth effects of bank consolidations in Nigeria was undertaken. The researcher employed straightforward testing techniques and utilised the E-View statistical packages to meticulously analyse the data. The results of the research suggest that banks exhibit enhanced capitalization and reduced levels of risk subsequent to the aforementioned exercise. Furthermore, it has been revealed that the process of recapitalization exerts a modest yet noteworthy influence on the overall expansion of the economy. The investigation employed a quasi-experimental research design methodology for the purpose of data analysis.

The scholarly investigation conducted by Adams (2014) delved into an in-depth analysis of the financial performance exhibited by Erbil Bank for Investment and Finance, situated in the Kurdistan part of Iraq, over the span of five years, specifically from 2009 to 2013. To evaluate the bank's fiscal position, he employed statistical methodologies and conducted an analysis of financial ratios. The findings suggest that Erbil Bank's fiscal condition has exhibited commendable performance. In his scholarly publication titled "Measuring the Performance of Banks," Bikker (2010) expounded upon the notable disparities in

quality between indices and indicators. This observation underscores the inherent challenges associated with gauging the performance of banks, as these variations render them susceptible to predictive validity. Kumbirai and Webb (2010) meticulously scrutinised the credit quality, liquidity, and profitability of five (5) prominent South African banks. The empirical evidence suggests a notable enhancement in the operational efficacy of financial institutions over the initial biennial period under scrutiny.

Chakraborty et al. (2015) conducted a comprehensive examination of the financial performance analysis of the Islamic Bank of Bangladesh. The researchers meticulously assessed the bank's performance by scrutinising a range of operational variables. It has been ascertained that the bank has exhibited an enhanced level of efficiency with regards to its operational performance. In his scholarly investigation titled "Analysis of the Performance of Private and Public Sector Banking Systems,"

Rao (2014) employed exclusively secondary data to undertake a comprehensive examination encompassing both descriptive and analytical research methodologies. The key goal of this research was to scrutinise the financial performance of two prominent banking institutions, namely the State Bank of India and HDFC Bank, representing the public and private sectors, respectively. As per the aforementioned report, HDFC Bank exhibited superior performance and financial stability in the period spanning from 2008 to 2013, in comparison to SBI. Nevertheless, it is noteworthy that both banks demonstrated commendable proficiency in managing their deposits and expenditures.

In their seminal work, Kumi et al. (2013) employ financial ratios as a means to evaluate the viability of banks operating within the Ghanaian context. The investigation employed financial ratios as a means to scrutinise the intricate dynamics of bank profitability and liquidity during the period spanning from 2005 to 2009. Furthermore, we conducted a comparative analysis of the banks' performance in relation to the prevailing industry average. He discovered that the banking sector in Ghana exhibited profitability due to the banks' ability to generate substantial revenue that exceeded their expenditures.

A study by Kirthika and Nirmala (2015) called "Trend Performance of Foreign Banks in India" suggested that direct investments, direct credit, asset growth, and a higher percentage of other income compared to the banks' total revenue were the main factors that affected their ability to make money and work efficiently. Furthermore, they utilised trend analysis as a means to apprehend the progression of these financial institutions during the period spanning from 2008 to 2009 and 2012 to 2013. According to their empirical observations, the primary determinants influencing the performance of foreign banks in the Indian context encompassed various factors.

A study conducted by Aminul-Slam (2014) aimed to ascertain the potential disparity between a bank's duration of operation and its performance categorization during two distinct time frames, namely 2008–10 and 2011–13. The research focused on the financial viability analysis of National Bank Limited, a prominent and esteemed private commercial bank in Bangladesh, spanning the years 2008–2013. By employing the methodology of financial ratio analysis (FRA), he successfully juxtaposed the current operational efficacy with its antecedent state, thereby forging a correlation between the profitability, liquidity, and creditworthiness of National Bank Limited. He arrived at the deduction that the aptitude of management to formulate strategic plans and execute them with efficacy exerted a more substantial influence on the performances of banks.

Nkegbe and Ustarz (2015) conducted a comprehensive investigation on "the assessment of banking efficacy in Ghana through the utilisation of trends and determinants." Their research employed sophisticated data estimation techniques, graphical representations, and mathematical equations. During the course of that period, there was a discernible decline observed in the overall performance of Ghanaian banks. The study employed graphical representations and visual aids, such as graphs and charts, to perform a comprehensive analysis of trends derived from the data. The effectiveness of the Economic Community of West African States (ECOWAS) is notably enhanced by the membership of Ghana and Nigeria, owing to their economic proximity and shared affiliation within the organisation.

Faruque and Rahman (2018) conducted an assessment of the viability of private deposit banks in Bangladesh, wherein they presented a comprehensive overview and trend analysis of these banks. To attain a comprehensive understanding of the patterns exhibited by various factors like investment, loan and expansion, total assets, total liabilities, total equity, profit after taxes, and returns on equity, investment, and asset, it is imperative to analyse the data spanning the years 2013 to 2017. The

predetermined financial institutions furnished the specimen. The results indicate that the financial sector in Bangladesh is not functioning at a standard level. Once again, the index pertaining to the myriad variables of PCBs has exhibited a pattern of progression in recent years, albeit at a slower pace than anticipated. When considering the metrics of return on investment (ROI) and return on assets, it is evident that the year 2014 exhibited the highest level of productivity, whereas the viability of Turkish banks. To attain the goal of the research, the researchers employed the CAMEL technique. The investigation scrutinised a cohort of twelve privately held financial institutions and three state-owned banking establishments, collectively representing a substantial majority of nearly 70% of the entire banking sector within the nation. According to the research findings, Ziraat Bank emerged as the frontrunner in terms of overall performance, closely pursued by Vakif Bank and Ak Bank. Tekstil Bank, in the majority of the factors under consideration, has been found to exhibit the lowest ranking. An additional revelation has emerged, elucidating the notable disparity in performance between banks within the Turkish banking industry.

However, it has been observed that no recent work has been carried out on the post-bank consolidation and the deposit banks' performance in Nigeria.

METHODOLOGY

The research used an ex-post facto design methodology. The investigation utilised data acquired from the CBN bulletin, encompassing the temporal span from 2004 to 2022. The utilisation of annual data was necessitated by the unattainability of quarterly data for certain variables. The study utilises the return on assets (ROA) of banks as a measure of performance for deposit money banks. The ROA is used as the dependent variable, while Total Banks' Deposit, Total Bank Credit, and Interest Rate are used as explanatory factors to assess the impact of post-banks' consolidation.

Model Specification

The analysis employed time series econometrics techniques to investigate the study's null hypotheses. (i) there isn't a statistically significant positive long-run equilibrium association among post-banks' consolidation and the viability of Nigerian deposit banks; (ii) to find out if the variables have unit roots; and (iii) there isn't a causal relationship between post-banks' consolidation and the viability of Nigerian deposit banks. The research further used the multivariate co-integration approach proposed by Juselius (1990) and Johnsen (1991). The co-integration test employed in this study was based on the Vector Error Correction Model.

$\Delta ROA_t = \cdot + {}_{i=1}\Sigma \cdot_i TBD_{t-1} + \Sigma \cdot_i TBC_{t-1} + \angle\!\!\!/\Sigma \cdot_i AINTR_{t-1} + \cdot R_{t-1}$.....(1)

The symbol Δ denotes the difference operator. The variables representing banks' profitability and post-consolidation are denoted as ROAt, TBDt, TBCt, and INTRt. The error correction term is used to evaluate the deviations of these variables from the long-run equilibrium relationship. The present model is derived from the research conducted by Andabai (2017) and is represented as follows: Return on assets (ROA) is a function of total bank capital (TBC), interest rate (INTR), and total bank deposits (TBD).

Where: ROA=Return on Asset as a proxy for the profitability of commercial banks.

INTR = Interest Rate

TBD = Total Bank Deposit

TBC= Total Bank Credit

To find out if there is a unit root, the ADF test assumes that the idiosyncratic error component, shown as μt in equation (4), is asymptotically normal. The determination of the proper lag length may be made by using the Sims likelihood ratio test. It is crucial to choose the optimal lag length, since an excessive number of lags will diminish the test's power by introducing new parameter estimates and reducing the degrees of freedom. On the other hand, an insufficient number of lags may fail to adequately capture the intricacies of the error correction process, leading to inaccurate estimations of growth and its associated standard errors.

Discussion of Results

Table 1: Unit root test result.

Variables	Lag	Adfsta@ stationary	Coefficient		Order of integration	Remark
			Level	1st diff		
LROA	2	-5.6833	-3.0206	-30299	1(1)	Stationary
LTBD	1	-3.9826	-3.0404	-	1(1)	Stationary
LTBC	2	-48705	-3.299	-	1(1)	Stationary
LINTR	1	-5.9102	-3.0299	-	1(1)	Stationary

Table 1 displays the outcomes of the unit root test for stationarity. It reveals that the return on assets of banks, namely TBD, TBC, and INTR, is integrated into order one. This implies that the variables need differencing once in order to achieve stationarity. Consequently, the hypotheses about non-stationarity were rejected for all variables. The table reports the optimal lag length, which serves as a criteria for model selection, in column two. The selection of this lag length was based on the Schwarz criterion (SC). This establishes a foundation for conducting tests to determine co-integrating connections among stationary series of equal order.

Test for Co-integration

Next the use of Johansen co-integration process to check if the aggregate current account balance, aggregate savings account balance, and aggregate fixed deposit account balance are all co-integrated. This is done after making sure that all variables are integrated. We looked at two hypotheses: the null hypothesis says that the variables are not related (r = 0) and the alternative hypothesis says that they are related (r = 1). The findings can be found within the confines of Table 2. At a significance level of 5 percent, the null hypothesis, which assumes the absence of co-integration, is deemed to be rejected. However, it is important to note that the null hypothesis, which states that rd"1 cannot be rejected in favour of the alternative r=2, suggests the presence of a unique co-integrating association among the variables. Therefore, one can deduce that there exists a notable and lasting correlation between the variables, as evidenced by the Eigen values surpassing the critical values at both the 1 percent and 5 percent levels of significance, as elucidated in Table 2.

Table 2: Co-integration Test Results

H_0	H_A	Eigen value	Trace (stat)	Critical value (0.5)	Prob.
R=0	r=1	0.959295	152.5567	76.28	0.0000
R≤1	r=2	0.820452	91.7298	54.0790	0.0000
R< 2	r=3	0.75742	59.1009	35.1926	0.0000
R<3	r=4	0.680531	32.1886	20.2618	0.0007

Vector Error Correction Model

The statistical method known as the ECM makes use of developments in co-integration theory. Pursuing spurious correlation, a common problem in non-stationary time series data, is its main goal (Ibenta, 2019). There can be short-term fluctuations when there is a long-term co-integrating equilibrium. In order to rectify or lessen these oscillations, we started using the ECM model.

The ECM's error correction coefficient provides information about how historical values may have an impact on the variable under examination's current values. A substantial coefficient suggests that past departures from a state of equilibrium influence the results that occur today. Moreover, there exists a strong correlation between the data obtained from the ECM and the speed at which the system returns to a long-term equilibrium state. The transient fluctuations are symbolised by the discrete variables' respective coefficients in the differential expressions.

Table 3: Vector Error Correction Estimates Results

Dependent Variable: ROA

Sample: 2004-2022

Included observations: 19

Variables	Coefficient	Std. Error	t-Statistic	Prob.
(ECM(-1)	-0.542153	1.71362	-0.23621	-0.010008
DLnROA	325.7861	0.20833	1.11242	0.002548
TBD	1324.432	0.03070	0.51262	0.008540
TBC	234.6341	0.04251	0.03440	0.182937
LnINTR	2543.873	0.38810	0.06851	0.000245
Constant	113.9150	0.95828	17.9954	0.000335
R-squared	0.501894	Mean dependent var		206.9160
Adjusted R-squared	0.463146	S.D. dependent var		243.4756
S.E. of regression	243.3555	Akaike info criterion		20.20726
R – correlation	0.761546	Schwarz criterion		253.8350
Log likelihood	-122.1856	F – statistic		-5.626034
Durbin-Watson stat	1.891375	Prob (F-statistic)		0.173048

Source: Author's computation with the use of E-view 10.1

The coefficient for error correction is shown to be substantial and has a negative sign, confirming a prerequisite requirement for the variables to be co-integrated. This also suggests that the adjustment speed of total bank deposits, total bank credit, and interest rates in response to short-term disequilibrium, aiming to achieve long-term equilibrium, is 54% during a one-year period. Based on the coefficient of determination, changes in the post-bank consolidation variables (TBD, TBC, and INTR) within the sector may explain about 37% of the changes in the viability of deposit banks. This suggests that a small proportion of the performance patterns in the deposit money banking business may be attributed to changes in post-bank consolidation characteristics. The F-statistic of -5.62634, which has an F-probability of 0.173048, suggests that there is no statistically significant association among the performance of deposit banks and post-bank consolidation in Nigeria.

Table 4: Result of Pairwise Granger-Causality Test (2004-2022) with 2-period Lag length

Null Hypothesis:	Obs	F-Statistic	Probability	Decision
ACA does not Granger Cause ROA	17	0.97650	0.54309	No causality
ROA does not Granger Cause ACA		0.67526	0.95647	No causality
TBD does not Granger Cause ROA	17	0.97594	0.36529	No causality
ROA does not Granger Cause TBD		0.87591	0.50474	No causality
INT does not Granger Cause ROA	17	0.87600	0.54533	No causality
ROA does not Granger Cause INT		0.65478	0.67362	No causality
TBD does not Granger Cause TBC	17	5.32640	0.00176	Causality
TBC does not Granger Cause TBD		4.68547	0.00052	Causality
AFD does not Granger Cause TBC	17	0.65770	0.78174	No causality
TBC does not Granger Cause AFD		0.78658	0.96943	No causality
INT does not Granger Cause TBC	17	0.64568	0.76634	No causality
TBC does not Granger Cause INT		0.97868	0.98088	No causality

The decision rule relating to a causality test stipulates that in the event that the probability value of the estimate surpasses the 5% (0.05) level of significance, we shall duly embrace the null hypothesis. Conversely, if the aforementioned probability value falls below the designated threshold, we shall adopt the alternative hypothesis.

The causality test was conducted on the variables listed in Table 4 in order to establish the direction of causation between them. The concept of Granger causality was used to examine the extent to which a particular variable had predictive power beyond what was already accounted for by the explanatory factors. The findings derived from the Granger causality test suggest that there is no causal association among the return on assets (ROA) of banks and the variables of total bank credit (TBC), interest rate (INT), and total bank deposits (TBD). This suggests that there is no causal relationship among characteristics related to post-bank consolidation and the viability of Nigerian deposit banks.

Nevertheless, the results indicate that there exists a reciprocal causal association among total bank deposits and total bank credit within the sector.

CONCLUSION AND RECOMMENDATIONS

The study's findings indicate that there is no discernible causal association among post-bank consolidation and the viability of deposit banks in Nigeria. This may be shown in Table 3. The primary aim of consolidation is to strategically restructure the current state of banks in order to achieve optimal operational practices that will facilitate economic advancement. Consequently, the findings of this investigation indicate that there are no unit roots among the variables. There exists a long-term equilibrium connection among economic progress and multinational businesses. The findings indicate that about 54% of the adjustment towards equilibrium occurs in the short run after a period of long-term disequilibrium. Consequently, it is recommended that bank management enhance the efficacy of their credit administration supervisory divisions to mitigate the problem of non-viable loans. In the Nigerian context, it is essential for banks to assume a prominent role in both the local and foreign markets. Furthermore, it is crucial for banks to maintain capital levels that exceed the minimal regulatory thresholds consistently. The frequent evaluation of shareholders' money and the total assets of banks, along with the forceful intensification of aggressive marketing strategies, is important.

Contribution to Knowledge

The VECM was improved in this study, contributing to the expansion of the current literature. The inclusion of updated data in this study will provide scholars with an opportunity to use it for future investigations. Therefore, the findings of this research have made a valuable contribution to the existing body of knowledge. Specifically, it has been determined that there is no direct causative relationship among post-consolidation and bank profitability. Nevertheless, it has been observed that there is a reciprocal causal relationship between the aggregate current account and the aggregate savings account.

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Appendix 1:
Post-Banks' Consolidation and Banks' Performance in Nigeria (2004-2022)

Years	Return on Assets of Banks' (₦ Billion)	Total Bank Credit (N' Billions)	Interest Rate (%)	Total Bank Deposits (N' Billions)
2004	2.00	1,519.24	8.21	1,661.5
2005	2.58	1,976.71	8.26	2,036.1
2006	0.49	2,524.30	7.99	3,245.2
2007	2.65	4,813.49	11.12	5,001.5
2008	5.92	7,799.40	17.67	7,960.1
2009	4.29	8,912.14	20.55	9,150.5
2010	-9.28	7,706.43	18.60	9,784.6
2011	3.91	7,312.73	16.93	11,452.8
2012	-0.04	8,150.03	20.43	13,132.1
2013	2.62	10,005.59	19.67	13,623.4
2014	2.81	12,889.42	19.24	17,158.2
2015	2.23	13,086.20	19.84	17,237.4
2016	2.81	16,117.20	20.77	17,424.81
2017	2.23	63,101.76	19.43	17,837.65
2018	2.23	61,669.92	17.63	17,465.57
2019	2.81	73,621.94	17.28	16,745.57

2020	2.23	76,101.76	18.43	17,837.65
2021	3.32	76,869.97	17.63	17,965.66
2022	2.67	78,823.92	17.99	18,982.34

Source: Central Bank of Nigeria Statistical Bulletin, 2022.