

BANKING SECTOR CONSOLIDATION IN NIGERIA: ISSUES AND CHALLENGES

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ABSTRACT

This paper examines the issues and challenges arising from the recently concluded banking sector reform programme in Nigeria. It notes that since the consolidation programme was policy induced, the 18 months given for total compliance appeared inadequate, given the number of activities required for a merger or acquisition to be successfully consummated. The author, however, acknowledges that the programme could lead to the emergence of a sound and efficient financial system that would support the growth and development needs and aspirations of the Nigerian economy. Towards fully harnessing the synergies and potentials of the consolidation programme, the paper calls for continuous training and retraining of staff as well as proper handling of post-consolidation challenges.

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1.0 INTRODUCTION

It is incontrovertible that the banking system is the engine of growth in any economy, given its function of financial intermediation. Through this function, banks facilitate capital formation, lubricate the production engine turbines and promote economic growth. However, banks' ability to engender economic growth and development depends on the health, soundness and stability of the system. The need for a strong, reliable and viable banking system is underscored by the fact that the industry is one of the few sectors in which the shareholders' fund is only a small proportion of the liabilities of the enterprise. It is, therefore, not surprising that the banking industry is one of the most regulated sectors in any economy. It is against this background that the Central Bank of Nigeria, in the maiden address of its current Governor, Prof. Charles Soludo, outlined the first phase of its banking sector reforms designed to ensure a diversified, strong and reliable banking industry.

The primary objective of the reforms is to guarantee an efficient and sound financial system. The reforms are designed to enable the banking system develop the required resilience to support the economic development of the nation by efficiently performing its functions as the fulcrum of financial intermediation (Lemo, 2005). Thus, the reforms were to ensure the safety of depositors' money, position banks to play active developmental roles in the Nigerian economy, and become major players in the sub-regional, regional and global financial markets.

The key elements of the 13-point reform programme include:

- Minimum capital base of N25 billion with a deadline of 31st December, 2005;
- Consolidation of banking institutions through mergers and acquisitions;
- Phased withdrawal of public sector funds from banks, beginning from July, 2004;
- Adoption of a risk-focused and rule-based regulatory framework;
- Zero tolerance for weak corporate governance, misconduct and lack of transparency;

- Accelerated completion of the Electronic Financial Analysis Surveillance System (e-FASS);
- The establishment of an Asset Management Company;
- Promotion of the enforcement of dormant laws;
- Revision and updating of relevant laws;
- Closer collaboration with the EFCC and the establishment of the Financial Intelligence Unit.

Two of the above reform elements which have since generated so much concern and reactions from various stakeholders are:

- Requirement that the minimum capitalization of banks should be ₦25 billion with full compliance by 31st December, 2005 and
- Consolidation of banking institutions through Mergers and Acquisitions.

Since the first phase of the banking sector consolidation programme has now been concluded, the objective of this paper is to examine the issues and challenges posed by the implementation of the programme. Following from the above introduction, the rest of the paper is divided into five sections. Section two outlines the characteristics of the Nigerian banking industry prior to the consolidation programme, while section three examines the need for consolidation, reviews the trend in bank consolidation and discusses the strategies adopted by Nigerian banks in the consolidation process. Section four examines the issues and challenges that confronted the consolidation programme. Section five proffers solution while section six concludes the paper.

2.0 CHARACTERISTICS OF THE NIGERIAN BANKING INDUSTRY BEFORE THE CONSOLIDATION PROGRAMME

Prior to the just concluded banking sector consolidation programme induced by the CBN 13-point reform agenda, which was announced on 6th July, 2004, the Nigerian banking system was highly oligopolistic with remarkable features of market concentration and leadership. For instance, Lemo (2005) notes that the top ten (10) banks were found to control:

- More than 50% of the aggregate assets;
- More than 51% of the aggregate deposit liabilities; and
- More than 45% of the aggregate credits.

Thus, the system was characterized by:

- Generally small-sized fringe banks with very high overhead costs;
- Low capital base averaging less than \$10million or ₦1.4 billion;
- Heavy reliance on government patronage (with 20% of industry deposits from government sources)

Furthermore, twenty-four out of the eighty-nine deposit-money banks that existed then exhibited one form of weakness or the other. Prominent among such weaknesses are under-capitalization and/or insolvency, illiquidity, poor asset

quality, weak corporate governance, boardroom squabbles, dwindling earnings and, in some cases, loss making.

The unhealthy competition that existed in the market, which was engendered by the relative ease of entry into the market as a result of the low capital base, necessitated some banks going into rent-seeking and non-banking businesses, which are not related to core banking functions. Some of the banks were preoccupied with trading in foreign exchange, government treasury bills and sometimes, indirect importation of goods through surrogate companies.

A review of the banking system as at June, 2004, reveals that marginal and unsound banks accounted for 19.2% of the total assets, 17.2% of total deposit liabilities, while industry non-performing assets was 19.5% of the total loans and advances. The implication of this unsatisfactory statistics as noted by Lemo (2005) is that there existed threat of a systemic distress judging by the trigger points in the CBN Contingency Planning Framework of December 2002, which stipulated a threshold of 20% of the industry assets, 15% of deposits being held by distressed banks and 35% of industry credits being classified as non-performing. From the foregoing, it was apparent that a reform of the banking system in Nigeria was inevitable; it was only a question of time.

3.0 BANKING SYSTEM CONSOLIDATION

3.1 Need for Consolidation:

The Pan Reference Books Dictionary of Economics defined consolidation as the action of reinvesting a capital gain made on a speculative share in a more conservative security. The term could also connote the selling of equities at a gain and reinvesting of the proceeds in fixed-interest securities. Similarly, the Harold Sloan and Arnold Zurcher Dictionary of Economics (1970) conceptualized consolidation as a fusion of the assets and liabilities, in whole or in part, of two or more business establishments to form an entirely new establishment. From the above definitions, consolidation represents the idea of investment and the coming together of firms or enterprises as a single entity. Consolidation also means larger sizes, larger shareholder bases and larger number of depositors. According to Adam (2005), bank or corporate consolidation could be achieved by way of mergers and/or acquisition, recapitalisation and proactive regulation.

Bank consolidation is more than mere shrinking of the number of banks in any banking industry. It is expected to enhance synergy, improve efficiency, induce investor focus

and trigger productivity and welfare gains (Nnanna, 2004). The main motivation behind consolidation is to maximize shareholders' value. Value may be maximized through Mergers and Acquisitions (M&As) mainly by increasing the participating firm's market power in setting prices or by improving their efficiency and, in some cases, by increasing their access to the safety net.

Imala (2005) identified eight reasons for M&As in the financial services sector. They include:

- Cost savings, attributable to economics of scale as well as more efficient allocation of resources;
- Revenue enhancement, resulting from the impact of consolidation on bank size, scope, and overall market power;
- Risk reduction, due to change in organizational focus and efficient organizational structure;
- New developments, which impose high fixed costs and the need to spread these costs across a large customer base;
- The advent of deregulation, which removed many important legal and regulatory barriers;
- Globalisation, which engender a more globally integrated financial services industry and facilitated the provision of wholesale financial services and geographical expansion of banking operations;
- Financial stability, characterized by the smooth functioning of various components of the financial system, with each component resilient to shock;
- Shareholders' pressure on management to improve profit margins and returns on investment, made possible by new and powerful shareholder blocks.

The most important synergies to be derived through consolidation of firms in an industry are the ability to enjoy economies of scale, ability to earn increased revenue and the potentials for tax gains. These sources of synergy are discussed briefly hereunder:

Economies of Scale: One of the major advantages of the banking sector consolidation that is often harped on is its potential for firms in the industry to enjoy economies of scale. In his maiden address to the Bankers' Committee, the CBN Governor, Prof. Charles Soludo, posited that most banks in Nigeria have a capital base of less than US\$10million or about ₦1.3billion and that the largest bank in Nigeria has a capital base of about US\$298million compared to US\$526million for the smallest bank in Malaysia. Without being dragged into the controversy of the choice of ₦ 25billion as the benchmark for the capitalization of banks or the appropriateness of the comparison between Nigeria and Malaysia, one obvious fact is that the small size of Nigerian banks, each with expansive headquarters, separate investments in software and hardware, coupled with the bunching of branches in a few commercial centers, resulted in heavy fixed costs and operating expenses, thereby giving rise to very high average cost for the industry. Another issue related to the small size of Nigerian banks is the high cost of intermediation epitomized by the wide spread between deposit and lending rates. It would be recalled that the desire of the government to have a single digit lending rate has remained a mirage due, mainly, to the high cost of intermediation.

Globally, size has become an ingredient for success. An enhanced capital-base, all things being equal, is expected to confer competitive edge on a bank. It would enable the bank acquire relevant technology, engage high quality personnel and absorb shock. It would also position the bank to offer better and value-added services while increasing its earning capacity. Furthermore, consolidation increases the potential of banks to compete effectively at the national, regional and global levels.

Revenue Enhancement: One of the important reasons for mergers and acquisitions is the ability of combined firms to earn more revenue than two separate firms. Improved revenue may come from marketing gains, strategic benefits and market power. For instance, instead of advertising separately, the consolidated firm pulls its resources together to market the products and services of the firm, thereby reducing the unit cost of production.

Tax Gains: This may be a powerful incentive for mergers and acquisition. The increased size of a firm resulting from consolidation enables it enjoy tax gains resulting

from the use of tax losses which would have resulted from separate net operating losses, the use of unused debt capacity and the use of surplus funds which the individual small companies were not able to invest.

However, having outlined the advantages of consolidation, it is important to note that in spite of the points adduced in favour of economies of scale as an advantage of consolidation, banking and finance literature have amply documented the fact that diseconomies of scale are possible. In fact, some studies have shown that the extent of economies of scale reported in the earlier studies was exaggerated and there exist diseconomies of scale in the large banks. However, a more recent study (Tadesse, 2005) posits that in spite of observation of diseconomies of scale, there has been an underlying change in bank technology that has increased the minimum efficient size as well as favoured large banks to small ones. From the foregoing, it is obvious that with the advancement in technology, consolidation would remain a preferred option for cost effectiveness and business growth.

3.2 Trend in Bank Consolidation

The banking system consolidation is a global phenomenon, which started in the advanced economies. Two notable examples of countries experiencing a wave of mergers and consolidation in the banking industry in recent times are the United States of America (USA) and Japan (Hall, 1999). According to Kwan (2004), since the enactment of the Riegle-Neal Act, which allows interstate branch banking beginning from 1997, the number of large bank mergers in the USA has increased significantly. Today, the U.S. banking sector is reported to be in good shape, with record profits and relatively low volumes of problem loans. Further research on mega mergers in the USA suggests that merged banks experienced higher profit efficiency from increased revenues than did a group of individual banks, due to the fact that they provide customers with high value-added products and services (Akhavin, et al, 1997). Furthermore, consolidation may allow a mega bank to enjoy a hidden subsidy which Kwan (2004) referred to as “too-big-to-fail” subsidy due to the market’s perception of an illusion of government backing of a mega bank in times of crisis. The Japanese experience also shows that the consensus has

been that significant economies of scale existed in the banking industry before the onset of the crisis and subsequent reforms in the '90s at all levels of output throughout the industry (Fukuyama,1993, McKillop et al, 1996).

Consolidation in financial services in the USA and other industrialized countries has occurred along three lines, namely: within the banking industry, between banks and other non-bank financial institutions, and across national borders. In the USA, most of the consolidation that took place occurred within the banking sector. For instance, in that country, the number of banking organizations fell from about 12,000 in the early '80s to about 7,000 in 1999, a decrease of over 40 per cent. In the USA and Canada, there has been a trend towards consolidation of commercial banks and investment or merchant banks, whereas in Europe, where the universal banking model is more prevalent, the trend has been to combine banking and insurance business. While most of the bank consolidations in the developed economies have occurred within the domestic front, there are signs of increased cross-border activities. Such cross-border activities have been facilitated in Europe with the launch of the Euro.

The trend towards financial consolidation in Europe, USA and Asia could be traced to several factors. In the USA, one reason was the need to eliminate weak or problem financial institutions during the thrift and banking crisis of the late '80s and early '90s. Some European countries experienced similar problems with institutions weakened by exposure to real estate lending. Advancement in telecommunication and information technology is another factor that has accelerated the pace of bank consolidation. This is due to the fact that this factor has radically reduced the cost of providing a host of financial services.

The lessons to be drawn from the bank consolidation in the advanced economies is that consolidation would result in fewer banking institutions and more branches. It could also be an active instrument of capital market development which could lead to financial sector stability. Apart from domestic M&As, consolidation could lead to increase in cross-border M&As which could facilitate the inflow of Foreign Direct Investment (FDI).

Consolidation would certainly result in larger banks with implications for bank concentration and the “too big to fail” syndrome.

3.3 Strategies for Consolidation Adopted by Nigerian Banks

A number of strategies were employed by banks in Nigeria in their bid to comply with the CBN minimum capital directive. The strategies are:

- ❑ Right issues for existing shareholders and capitalization of profits;
- ❑ Public offers through the capital market and/or private placement;
- ❑ Mergers and acquisitions; and
- ❑ A combination of the above strategies.

Available statistics shows that during the 18-month consolidation period, the capital market received a boost with a total of ₦ 406 billion raised, out of which the apex bank has verified and cleared only ₦306 billion as at 31st December, 2005. The consolidation drive has also brought in a staggering \$3 billion into the sector, \$500 million of which represents FDI. This is the highest inflow of FDI into the non-oil sector within one year. Appendix 1 shows the names of the 25 banks that successfully met the ₦ 25 billion minimum share capital requirement and the banks that constitute each group.

From Appendix 1, it is obvious that the consolidation groupings followed four scenarios, namely:

- ❑ Some weak small and medium-sized banks that came together, e.g. Unity Bank and Skye Bank;
- ❑ Banks with regional or cultural affiliation and having common shareholders that came together, e.g. Intercontinental Bank Plc, Wema Bank Plc and Spring Bank Plc;
- ❑ Some large-size banks that acquired smaller and weaker ones in order to bail them out, e.g. the acquisition of UTB, Broad Bank and Union Merchant Bank Ltd. by Union Bank of Nigeria Plc;

- Large-sized banks and notable players in the industry that came together to form a bigger bank. The merger between UBA and STB is a classic example of this case.

From all indications, it appears that the preferred option by the CBN is for big and strong banks to acquire or merge with the smaller and weaker ones although the result of the consolidation did not show the adoption of much of this option.

4.0 ISSUES AND CHALLENGES ASSOCIATED WITH THE PROGRAMME

The issues and challenges confronting the consolidation process are examined under two headings, namely: pre-consolidation and post-consolidation.

4.1 Pre-Consolidation Issues

A number of issues were identified to be of critical importance in the pre-consolidation phase. Notable among these issues are:

4.1.1 Timeline given for the Consolidation Programme

Under normal condition, mergers and acquisitions take time to consummate because there are a number of processes which must be followed. For instance, from the Securities and Exchange Commission (SEC) angle, eight important steps must be followed before a successful merger or acquisition could be accomplished. The steps encompass:

- SEC's Approval-in-principle;
- Preparation of the Scheme document;
- Clearing of the Scheme document with SEC and the Nigerian Stock Exchange (NSE);
- Application to the Federal High Court for the court to give orders that separate shareholders' meetings of the companies be convened;
- The Scheme document and Notice of respective Court-ordered Meetings are to be sent to the shareholders of the companies, and the shareholders need a minimum

- of three weeks notice to hold their meetings. These notices of shareholders' meetings must be published in the newspapers;
- Approval of the Schemes of Merger at the separate Court-ordered Meetings;
 - The Resolutions of the Court-ordered meetings of companies are to be referred to SEC for approval; and
 - The companies are required to file an application for a Court Order Sanctioning the Scheme of Merger/Acquisition.

In addition to the above, the banks had to satisfy the following CBN requirements:

- Pre-merger Consent;
- Approval-in-principle; and
- Final Approval.

Giving the processes involved in consolidation, it is obvious that 18 months was inadequate for these processes to be effectively undertaken. Thus, what we have just witnessed in the Nigerian banking landscape are the mergers and acquisition of banks that were hastily packaged in order to beat the CBN deadline. Mergers and acquisitions are supposed to be voluntary strategies for consolidation. Therefore, the policy-induced M&As of the just concluded bank consolidation in Nigeria suggests that the relevant institutions are likely to be faced with serious post-consolidation integration challenges.

4.1.2 High Cost of Mergers and Acquisitions

The experience with the just concluded bank consolidation has shown that it is quite an expensive exercise. Most of the weak and marginal banks had to incur costs to go to the Capital Market to raise funds. They also had to bear the cost of mergers and acquisition. This involves the cost of preparing due diligence reports, cost of paying consultants, cost of preparing the Scheme document and other related costs. The issue of high cost of consolidation is not restricted to the weak banks, as the big and strong banks that acquired smaller banks had to bear similar and bigger costs.

4.1.3 Lack of Cooperation from Some of the Consolidating Banks

Ironically, some banks found it difficult to find a group to merge with or find a big bank to acquire them because, initially some of them were foot-dragging and some had refused to cooperate with the banks that showed interest in acquiring them as they continued to give difficult conditions with regard to some important issues, such as, the worth and the value of their shares, quality of their risk assets, number of representation on the board of the new bank and general lack of transparency in providing a timely information .

4.1.4 Human Resource Issues

A lot of human resource related issues arise with regard to the consolidation programme. In the first instance, once two or more banks begin to talk about merger or acquisition, the staff of the affected institutions become jittery about job security which invariably affect their productivity. Certainly, consolidation might lead to job losses at the executive, general management, senior and junior staff cadre. For instance, it is not feasible to have two Managing Directors/Chief Executives in an organization. The second issue of concern is the variance level of compensation/remuneration packages of merging banks. In most cases, there exists a wide and unrealistic disparity in the remuneration packages of banks that have merged or have been acquired. This issue is more problematic in the case of a merger/acquisition between a big bank with a large workforce and smaller banks with small staff strength but high personnel cost.

4.1.5 Information and Communication Technology (ICT) Related Issues

It is a well-known fact that different banks employ different banking applications software to gain competitive edge. The challenge here is that some of these ICT packages are not compatible and banks have already incurred huge costs in the acquisition of these technologies. This, therefore, increases the cost of consolidation as the entire bank has to work under one IT platform.

4.2 Post-Consolidation Challenges

4.2.1 Corporate Governance

The status of corporate governance in the banking industry is expected to improve remarkably following the change in ownership structure. Thus, the dilution of ownership engendered by the new dispensation would ensure that a few individuals and their cronies

do not have overbearing influence in the running and management of the banks unlike what used to happen in some privately owned banks where the influence of a few directors was very pronounced. However, the enlarged board membership that would result from consolidation could give rise to cleavages or “camps” that could result in boardroom squabbles. The leadership of the board should, therefore, be equipped to handle such division of opinion. Otherwise it could become a source of setback to the mega banks.

4.2.2 Post-Consolidation Integration

To merge or acquire an institution is one thing, but to get the institutions involved to work harmoniously is another. The post consolidation integration will pose more challenges in a consolidation case involving more than two institutions. The new organization may lack flexibility in responding quickly to changing market situation due to the large size. Additionally, every organization has its own corporate culture. When two or more organizations come together to form one company, there is bound to be culture conflicts. Such conflicts would be more where the style of management of the organizations differs. Thus, the integration of the operations, processes, procedures, people and products to let the consuming public see the emerging entity as one group is a daunting challenge which the consolidated banks have to contend with.

4.2.3 Challenge of Increased Returns on Investment

With the minimum capitalization of ₦ 25 billion for consolidated banks, the management of such banks is bound to operate under undue pressure from shareholders, who would be anxious to see higher returns on their investments. Currently, the average return on invested capital (ROIC) in the Nigerian banking industry is estimated to be about 38%. With the substantial increase in shareholders’ funds engendered by the consolidation programme, each bank would need to generate an average minimum of ₦ 9.5 billion in profit before tax in order to maintain the same rate of return. Thus, the pressure that would mount on the management of the mega banks would force them to be more innovative and creative in coming up with new products and exploring other businesses, such as financing the real sector, which has hitherto been neglected. However, such

pressure could also precipitate sharp and unethical practices by the banks if the regulatory environment is not tight.

5.0 RECOMMENDATIONS

At the expiration of the deadline given for the compliance with the N25 billion minimum shareholders' funds requirement, fourteen banks failed to meet the dead line. It is estimated that depositors' funds trapped in these banks amount to about N118 billion. Furthermore, not less than 5,000 job losses would be involved. With the withdrawal of the licences of the fourteen banks, it is now certain that the decision of the regulatory authorities on the first phase of the banking industry consolidation is final.

Given that the bank consolidation is a policy-induced programme, it is important that all efforts be made to ameliorate the costs of the consolidation programme on all stakeholders. In this regard the decision of CBN to pay all private depositors in full within 90 days is commendable. Furthermore, to ensure that the gains of consolidation are fully harnessed and to ensure the stability of the system, we put forward the following recommendations:

5.1 Asset Management Company (AMC)

The inability of the CBN to get the AMC working up till this moment has impacted negatively on the consolidation programme. It would be recalled that the establishment of the AMC was one of the issues contained in the 13-point agenda referred to earlier. This company was supposed to securitise the non-performing assets of the weak banks in order to make them attractive for mergers with other banks or acquisitions by bigger banks. There is still the need to set up this company without delay in order to reduce the risk exposure of the banks that have survived the consolidation programme while enhancing their asset quality.

5.2 Training and Manpower Development

Issues related to mergers and acquisitions are so wide and intricate that senior management of banks cannot afford to have a deep-rooted knowledge of them.

Therefore, the need for them to have a complete understanding of mergers and acquisitions in all its ramifications is necessary to mitigate all the complex issues and challenges associated with it. Thus, to ensure the success of the on-going consolidation programme, in particular the post consolidation integration issues, there is the need for the CBN to sponsor training programmes on post-consolidation integration and corporate culture conflict management. This would assist to mitigate conflicts associated with consolidation, thereby facilitating the sustainability of the mega banks.

5.3 Use of Information and Communication Technology

The experience of banking system consolidation in other countries, particularly the USA and Japan shows that diseconomies of scale do occur at high levels of output. Studies in those countries also show that the mega banks were able to enjoy economies of scale at all levels of output using state-of-the-art ICT. Thus, given that mega banks would emerge from the consolidation process, the time is ripe for banks to begin to think of the appropriate ICT to employ to ensure efficient service delivery and cost effectiveness while forestalling the creeping in of diseconomies of scale.

5.4 Cross-Border Merger

With the increased capital base of banks and the enlarged shareholder base, the management of banks are faced with the challenge of fashioning out profitable investment opportunities to maximize the use of the huge assets at their disposal. One of the areas recommended for exploration is cross-border merger. Thus, the emerging mega banks need to spread out to the West African sub-region and the rest of Africa to become more visible players in the sub-regional and regional financial markets.

6.0 CONCLUSION

In this paper, an attempt was made to review the issues and challenges associated with the first phase of the banking sector consolidation programme. Although the programme has been concluded with twenty-five banks meeting the consolidation timeline, the banks should brace up for the imminent post-consolidation integration challenges.

There is no doubt that the banking sector consolidation programme is the right step to take by the CBN as it is capable of engendering healthy competition among banks and making banks to be more creative and innovative. It also has the potential of accelerating the rate of economic growth and development of the country. However, to ensure that the synergy it promises is fully harnessed, and to mitigate post-consolidation conflicts, adequate steps should be taken to train and retrain the staff of all the banks that have scaled the capitalization huddle while the regulatory environment has to be tightened to close all the loopholes that could come up as a result of the increased size of the firms in the industry.

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Appendix 1: **Banks that Met the ₦ 25 Billion Minimum Capital Requirement and the Banks Constituting Each Group**

S/N	Consolidated Bank	Capital Base (₦ Billion)	Constituent Bank(s)
1	Access Bank Plc.	28.5	Access Bank, Marina International Bank & Capital Bank
2	Afribank Plc.	29	Afribank & Afribank International (Merchant Banker)
3	Diamond Bank	33.25	Diamond Bank & Lion Bank
4	EcoBank Nigeria	Over 25	Ecobank Nigeria
5	Equatorial Trust Bank	26.5	Equatorial Trust Bank & Devcom Bank
6	First City Monument Bank	30	FCMB, Cop. Development Bank & NAMB Limited
7	Fidelity Bank	29	Fidelity Bank, FSB International Bank & Manny Bank
8	First Bank Plc.	44.62	First Bank of Nigeria, FBN Merchant Bankers, & MBC International Bank
9	First Inland Bank	28	First Atlantic Bank, Inland Bank, IMB International Bank & NUB International Bank.
10	Guaranty Trust Bank	34	Guaranty Trust Bank
11	IBTC-Chartered Bank	35	IBTC, Chartered Bank & Regent Bank
12	Intercontinental Bank	51.7	Intercontinental Bank, Equity Bank, Global and Gateway Bank
13	Nigerian International Bank	25	Nigerian International Bank (City Group).
14	Oceanic Bank	31.1	Oceanic Bank & International Trust Bank
15	Platinum Bank	26	Platinum Bank & Habib Bank
16	Skye Bank	37	Prudent Bank, EIB International, Cooperative Bank, Bond Bank & Reliance Bank
17	Spring Bank	Over 25	Citizens International Bank, Guardian Express Bank, ACB International Bank, Omegabank, Fountain Trust Bank & Trans International Bank.
18	Stanbic Bank	25	Stanbic Bank
19	Standard Chartered Bank	26	Standard Chartered Bank
20	Sterling Bank	25	Magnum Trust Bank, NAL Bank, Indo-Nigeria Bank & Trust Bank of Africa
21	United Bank of Africa	50	United Bank of Africa & Standard Trust Bank
22	Union Bank	58	Union Bank, Union Merchant Bank, Universal Trust Bank & Broad Bank
23	Unity Bank	30	Intercity Bank, First Interstate Bank, Tropical Commercial Bank, Pacific Bank, Centre Point Bank, NNB International Bank, Bank of the North, Societe Bancaire & New Africa Bank
24	Wema Bank	26.2	Wema & National Bank
25	Zenith Bank	38	Zenith Bank

Source: Compiled from CBN Press Release (3/1/06), Financial Standards(16/1/06), and The Comet (3/1/06)

