CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Corporate mergers and acquisitions (M&As) have become an essential aspect of strategic decision-making in the contemporary global financial landscape. These corporate strategies, which involve the consolidation of companies or assets, are primarily pursued to achieve synergies, optimize operational efficiency, expand market share, enhance competitiveness, and ultimately improve financial performance (Gaughan, 2011). Within the highly competitive and rapidly evolving banking sector, M&As are viewed as crucial tools for navigating regulatory changes, managing risk, responding to market shifts, and tapping into new market opportunities.

In the case of Nigeria, corporate M&As have played a pivotal role in reshaping the banking sector, particularly following the landmark banking sector reform introduced by the Central Bank of Nigeria (CBN) in 2005. The reform raised the minimum capital requirement for commercial banks from ₦2 billion to ₦25 billion, aimed at enhancing the stability and sustainability of the banking system. This reform resulted in a significant wave of consolidation, reducing the number of commercial banks from 89 to just 25 (Soludo, 2004). The idea behind this policy was to foster the growth of more financially robust and competitive institutions capable of withstanding external economic pressures and contributing to the long-term development of the Nigerian economy.
Access Bank Plc stands out as a prominent example of a Nigerian bank that has strategically utilized M&As to foster growth and enhance its financial performance. The acquisition of Intercontinental Bank in 2012 and the merger with Diamond Bank in 2019 are two of the most significant moves in the bank's expansion strategy. These transactions substantially increased Access Bank's market share, diversified its customer base, and expanded its geographical footprint, positioning it as one of the largest banks in Sub-Saharan Africa (Oluitan & Akinlo, 2015).

However, despite the theoretical advantages of M&As, research on their impact on financial performance has yielded mixed results. Some studies, such as those by Berger & Humphrey (1992), suggest that M&As typically enhance financial performance through improvements in cost efficiency, profitability, and market value. Other scholars, however, have found that post-merger integration issues, such as cultural clashes, organizational restructuring challenges, and technological incompatibilities, often lead to disappointing financial outcomes (Cartwright & Schoenberg, 2006). For example, despite Access Bank's ambitious growth trajectory, there have been concerns over the integration challenges associated with merging diverse corporate cultures and operational systems following its merger with Diamond Bank (Adeyemo & Akinola, 2018). These challenges can delay the realization of the expected financial gains and even erode shareholder value in the short term.

In light of these mixed findings, it becomes crucial to investigate the specific impact of M&As on the financial performance of Nigerian banks. Emerging markets like Nigeria face unique challenges—ranging from economic volatility and regulatory instability to socio-political factors—that may significantly influence the success or failure of corporate mergers. As such, understanding the role of M&As in shaping the financial outcomes of Nigerian banks requires a closer examination of the specific context in which these transactions occur, and how both internal and external factors play a role in their effectiveness.

A recent body of literature on M&As in the Nigerian banking sector has explored various dimensions of this issue. According to Akinyomi and Ojo (2019), the integration of new technologies and the ability to cross-sell services across a larger customer base are key factors contributing to the success of M&As in the banking sector. These factors are particularly pertinent in the Nigerian context, where the digital transformation of financial services is rapidly changing the competitive dynamics. Moreover, scholars such as Ojo (2020) argue that regulatory and institutional frameworks play a critical role in shaping the outcomes of M&As in Nigeria, as banks must navigate regulatory compliance issues and adjust their business models in response to policy changes.

In light of the theoretical and empirical gaps in understanding the full implications of M&As on Nigerian banks, this study aims to explore the case of Access Bank Plc in depth. By analyzing the bank's financial indicators before and after its key M&A events, the research will assess whether these corporate actions have delivered the anticipated improvements in financial performance. Key financial metrics such as return on assets (ROA), return on equity (ROE), profitability, asset growth, and liquidity will be examined to determine the impact of these strategic moves.

This research will utilize a case study approach, which will allow for a detailed and nuanced exploration of Access Bank's M&A strategies and their subsequent effect on financial performance. A longitudinal analysis, which compares financial performance over several years, will help provide insights into the longer-term effects of M&As, beyond the initial post-merger period, during which integration challenges are typically most pronounced. The analysis will also consider qualitative factors such as management decisions, corporate culture alignment, and operational synergies, which may not be fully captured by financial metrics alone.

By focusing on Access Bank, this study aims to contribute to the broader discourse on the role of M&As in emerging markets, particularly within the context of the Nigerian banking sector. The findings will offer valuable lessons for other banks in Nigeria and across Sub-Saharan Africa that are considering M&As as a growth strategy. Additionally, the study will provide policy recommendations for regulators, financial analysts, and investors seeking to better understand the dynamics of corporate restructuring in the banking sector.

Moreover, this study will also examine the broader economic and institutional factors that shape the success of M&As in Nigeria, thus filling a gap in existing literature. The research will provide insights into how M&As can be leveraged as an effective strategy for enhancing financial performance while navigating the unique challenges of operating in an emerging market.

Furthermore, it will assess the implications for policymakers and regulators in ensuring that the framework for mergers and acquisitions aligns with the goals of economic stability, financial inclusion, and sustainable growth in the Nigerian banking industry.

Eventually, the findings of this study will offer empirical evidence on the relationship between M&As and financial performance, while also contributing to the theoretical understanding of corporate restructuring in the banking sector of emerging economies.

1.2 Statement of the Problem

Mergers and acquisitions (M&As) are often hailed as powerful tools for enhancing financial performance in the banking sector. Theoretically, M&As offer a range of potential benefits, including increased market share, expanded customer base, improved capital base, enhanced operational efficiency, and better economies of scale. These benefits are particularly appealing in the context of the Nigerian banking industry, which has undergone significant transformation since the Central Bank of Nigeria's (CBN) banking reform of 2005. This reform led to a wave of consolidation in the sector, with many banks, including Access Bank Plc, engaging in M&As to strengthen their financial positions and to meet regulatory requirements.

However, despite the perceived advantages, the actual impact of M&As on financial performance remains a subject of debate and concern. A number of Nigerian banks, after undertaking mergers and acquisitions, have experienced continued financial instability, poor profitability, and operational inefficiencies. These banks, despite undergoing consolidation, have failed to achieve the anticipated improvements in their financial metrics, such as profitability, liquidity, and return on assets. For instance, while some banks report initial gains in market share or asset base after mergers, they may continue to struggle with integration issues, misalignment of corporate cultures, and poor post-merger management strategies, which can lead to operational disruptions and diminishing financial outcomes.

This inconsistency between the expected and actual results of M&As is especially notable in the case of Access Bank Plc. The bank has undertaken significant mergers and acquisitions, including the acquisition of Intercontinental Bank in 2012 and the merger with Diamond Bank in 2019. Both of these strategic moves were expected to bolster the bank's market position, expand its asset base, and enhance operational efficiency. However, despite these efforts, there have been mixed reports on whether these mergers have actually translated into improved financial performance in the long term. While Access Bank has increased its market share and geographical reach, questions remain as to whether its financial indicators, such as profitability, return on equity, and cost-to-income ratio, have improved as expected following these transactions.

The problem this study seeks to address is the discrepancy between the anticipated benefits of M&As and the actual financial performance outcomes, particularly in the context of Nigerian banks like Access Bank. More specifically, it explores whether M&As are indeed a reliable strategy for enhancing financial performance in Nigerian banks or whether the challenges associated with integration, cultural fit, regulatory compliance, and operational restructuring mitigate the potential advantages of consolidation. This problem is further exacerbated by the lack of a comprehensive understanding of the contextual factors that influence the success or failure of M&As in the Nigerian banking sector, including economic volatility, regulatory changes, and institutional weaknesses that are prevalent in emerging markets.

The study will critically examine the relationship between M&As and financial performance in Nigerian banks, using Access Bank Plc as a case study. By comparing the bank's financial performance before and after its major M&A events, the research aims to provide empirical evidence on whether the expected benefits of M&As such as improved profitability, enhanced operational efficiency, and greater market competitiveness are realized. Additionally, the study will consider the impact of other factors, such as post-merger integration challenges, management decisions, and market conditions, which may contribute to the bank's performance post-merger. This will enable a more nuanced understanding of the broader implications of M&As on the

Nigerian banking sector, helping to bridge the gap between theoretical assumptions and practical outcomes.

Furthermore, by examining the actual financial outcomes of Access Bank's M&As, this study will contribute to the growing body of literature on corporate restructuring and consolidation in emerging markets. It will offer valuable insights for policymakers, regulators, and banking executives, helping them to understand the potential pitfalls and limitations of M&As and identify strategies to maximize the success of these transactions. The findings will also be of interest to investors, financial analysts, and other stakeholders who are keen to assess the long-term value of M&As as a growth strategy in the Nigerian banking sector.

Ultimately, this study will address the critical gap in understanding the real effects of M&As on financial performance in Nigeria, providing a clearer perspective on whether these corporate actions are a viable and effective strategy for achieving sustainable growth and financial stability in the country's banking industry.

1.3 Research Questions

i. What is the effect of mergers and acquisitions on the profitability of Access Bank?

ii. How has Access Bank's financial performance changed pre- and post-merger?

iii. What are the key financial indicators impacted by M&As in Access Bank?

1.4 Objectives of the Study

i. To evaluate the impact of mergers and acquisitions on the profitability of Access Bank.

ii. To analyze the financial performance of Access Bank before and after the mergers.

iii. To identify the specific financial metrics affected by M&As.

1.5 Research Hypotheses

H_0: Mergers and acquisitions have no significant effect on the financial performance of Access Bank Plc.

H_1: Mergers and acquisitions have a significant effect on the financial performance of Access Bank Plc.

1.6 Significance of the Study

This study holds importance for a wide range of stakeholders in the Nigerian banking sector and beyond. The significance can be outlined as follows:

i. **For Policymakers and Regulators**: It provides empirical evidence on the impact of mergers and acquisitions on financial performance, aiding in the formulation of informed policies and regulations and It offers insights into the effectiveness of past and current banking reforms, such as the 2005 recapitalization policy, and guides future interventions.

ii. **For Bank Management and Executives**: The study highlights the critical success factors and challenges associated with M&As, helping bank leaders make strategic decisions regarding future consolidation activities. It provides a practical case (Access Bank Plc) to learn from, particularly on post-merger integration and operational restructuring.

iii. **For Investors and Shareholders**: It improves understanding of how M&As influence key financial metrics such as profitability, return on equity, and shareholder value. The findings help in evaluating the long-term implications of investment decisions related to banks involved in M&As.

iv. **For Financial Analysts and Consultants**: The study serves as a resource for analyzing the financial health and growth prospects of banks post-merger. It supports informed analysis and advisory services for clients considering mergers, acquisitions, or investments in the Nigerian banking sector.

v. **For Academic Researchers and Students**: It contributes to the growing body of knowledge on corporate restructuring, banking reforms, and financial performance in emerging markets. It serves as a reference point for future studies on mergers and acquisitions in the financial services sector.

vi. **For the General Public and Bank Customers**: It enhances understanding of how M&As impact the stability, efficiency, and service delivery of banks. It helps build public awareness regarding the broader economic implications of banking consolidations.

vii. **For Regional and International Development Institutions**: The study offers valuable insights into how M&As influence financial sector development in Africa, providing data and context for supporting financial inclusion and institutional strengthening initiatives.

1.7 Scope and Limitation of the Study

The study the effects of corporate mergers and acquisitions (M&As) on the financial performance of Access Bank Plc which covers a ten years period analyzing financial data five years before and five years after major M&A events undertaken by Access Bank particularly the acquisition of Intercontinental Bank (2012) and merger with Diamond Bank (2019) The research is limited to Nigeria, focusing on the operations and performance of Access Bank within the Nigerian financial system and regulatory environment.

Limitation of the Study

This study is limited to:

i. **Data Availability and Accuracy**: The study relies severely on publicly available financial statements and reports. Any inconsistencies or omissions in these sources may affect the accuracy and depth of analysis.

ii. **Focus on a Single Bank**: Although Access Bank is a significant player, focusing on one bank limits the generalizability of the findings to the entire banking industry in Nigeria.

iii. **External Influences**: Financial performance may be influenced by macroeconomic factors (e.g., inflation, exchange rates, government policy changes) and global economic events that are not directly related to M&A activities but could affect performance outcomes.

iv. **Post-Merger Integration Assessment**: The study may not fully capture the qualitative aspects of post-merger integration challenges, such as cultural fit, employee morale, and managerial alignment, due to limited access to internal corporate data.

v. **Regulatory and Institutional Variables**: The dynamic nature of Nigeria's regulatory and institutional environment may introduce complexities that are difficult to isolate in terms of their direct impact on M&A outcomes.

vi. **Subjectivity in Measuring Performance**: Interpretation of financial performance may vary depending on the chosen indicators, benchmarks, and industry standards, which might not reflect the full strategic impact of M&As.

1.8 Definition of Terms

i. **Merger**: A combination of two or more companies into a single entity, with the aim of achieving synergies, expanding market reach, and enhancing operational efficiency.

ii. **Acquisition**: The process by which one company purchases and assumes control of another company's assets and operations.

iii. **Financial Performance**: A measure of a company's financial health over a specific period, typically assessed using indicators such as profitability, liquidity, return on assets, return on equity, and capital adequacy.

iv. **Profitability**: The ability of a bank to generate earnings relative to its revenue, assets, or equity.

v. **Liquidity**: The capacity of a bank to meet its short-term financial obligations using its liquid assets.

vi. **Capital Adequacy**: A measure of a bank's capital relative to its risk-weighted assets, used to assess financial strength and stability.

vii. **Post-Merger Integration**: The process of combining and reorganizing operations, systems, cultures, and structures after a merger or acquisition has taken place.

viii. **Access Bank Plc**: A Nigerian commercial bank that serves as the case study for this research. The bank has undergone major M&A activities, particularly the acquisition of Intercontinental Bank in 2012 and the merger with Diamond Bank in 2019.

ix. **CBN (Central Bank of Nigeria)**: The apex financial institution responsible for regulating banks and ensuring the stability of the financial system in Nigeria.

1.9 Plan of the Study

This research is structured into five comprehensive chapters, each addressing key components of the study:

Chapter One: Introduction This chapter presents the background to the study, statement of the problem, research objectives and questions, significance, scope, limitations, definitions of key terms, and the overall study plan.

Chapter Two: Literature Review This section provides a theoretical and empirical review of existing literature on mergers and acquisitions, financial performance, and relevant studies within the Nigerian and global banking sectors.

Chapter Three: Research Methodology This chapter outlines the research design, population and sample size, data sources, data collection methods, and the analytical techniques used to evaluate the impact of M&As on Access Bank's financial performance.

Chapter Four: Data Presentation and Analysis This chapter involves the presentation, interpretation, and analysis data collected.

Chapter Five: Summary, Conclusion, and Recommendations The final chapter summarizes the major findings of the study, draws conclusions based on the analysis, and provides practical recommendations for stakeholders, including policymakers, bank managers, and investors.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Conceptual Review

This section presents an in-depth examination of key concepts related to mergers and acquisitions (M&As) and their impact on financial performance within the banking sector. It aims to establish a foundation for understanding the dynamics of corporate consolidation and how they relate to financial indicators such as profitability, liquidity, and capital adequacy.

2.1.1 Concept of Mergers and Acquisitions (M&As)

Mergers and acquisitions (M&As) are strategic corporate maneuvers involving the unification of two or more entities, either through mutual agreement or outright takeover, with the aim of achieving business growth, operational efficiency, and increased market presence. A merger occurs when two companies combine to form a new legal entity, sharing resources, operations, and management structures. An acquisition, on the other hand, is characterized by one company purchasing and assuming control over another, typically absorbing the target firm's assets, liabilities, and operations under its corporate umbrella (Gaughan, 2011).

In the banking sector, M&As are often seen as a critical tool for corporate restructuring and market repositioning. Financial institutions use them to:

i. **Strengthen capital base**: By consolidating assets and shareholder equity, merged banks improve their capital adequacy, enabling them to withstand economic shocks and meet regulatory requirements.

ii. **Enhance competitive advantage**: M&As allow banks to pool strategic resources such as technology, skilled manpower, and customer networks to better compete in both domestic and international markets.

iii. **Expand geographical reach and customer base**: Through consolidation, banks can penetrate previously inaccessible markets, diversify risk across regions, and enlarge their customer portfolios.

In the Nigerian context, the 2005 banking sector reform, spearheaded by the then Governor of the Central Bank of Nigeria (CBN), Professor Charles Soludo, was a watershed moment that catalyzed a wave of mergers and acquisitions. The reform raised the minimum capital base for banks from ₦2 billion to ₦25 billion, prompting widespread consolidation to meet the new threshold. As a result, the number of banks in the country drastically reduced from 89 to 25, reflecting a deliberate move toward creating a more robust, capitalized, and competitive banking industry (Soludo, 2004).

This regulatory-driven consolidation not only stabilized the banking sector but also paved the way for the emergence of mega banks with regional and continental aspirations. Banks like Access Bank Plc, Zenith Bank, and First Bank became dominant players, leveraging M&A strategies to enhance their operational scope, financial strength, and market influence.

Recent developments in Nigeria's financial landscape such as digital transformation, increased regulatory scrutiny, and the African Continental Free Trade Area (AfCFTA) continue to encourage M&As as strategic imperatives. Banks now pursue consolidation not only to satisfy regulatory demands but also to improve digital capabilities, diversify income streams, and navigate increasingly complex financial ecosystems.

Akinbuli and Kelilume (2013) emphasize that the success of M&As depends largely on strategic alignment, post-merger integration, and cultural compatibility. While the motives behind M&As

are often economically sound, the outcomes can vary, especially when due diligence, synergy realization, and stakeholder communication are poorly executed.

In essence, M&As remain a significant growth mechanism in the banking industry, particularly in emerging economies like Nigeria, where financial institutions face pressure to modernize, expand, and remain resilient amidst global and domestic challenges.

2.1.2 Financial Performance

Financial performance refers to the degree to which an organization meets its financial goals over a given period. In the context of banking, it reflects the institution's ability to generate revenue, control costs, manage assets, and maintain adequate capital and liquidity levels while ensuring shareholder value is maximized. Financial performance is a critical indicator of the health and sustainability of a bank, especially following strategic restructuring such as mergers and acquisitions (M&As).

Banks, as financial intermediaries, are evaluated using a combination of financial ratios and indicators that reflect various aspects of their operations. The key dimensions typically assessed include:

Profitability

Profitability represents a bank's capacity to generate earnings relative to its assets, equity, or revenue. It is a direct measure of performance efficiency and return on investment. Common indicators include:

i. **Net Profit Margin**: Indicates the portion of revenue that remains as profit after all expenses are deducted.

ii. **Return on Assets (ROA)**: Measures how effectively a bank uses its total assets to generate profit.

iii. **Return on Equity (ROE)**: Assesses the return generated on shareholders' equity, reflecting the bank's ability to enhance shareholder value.

In the post-merger context, improvements in profitability suggest successful synergy realization and effective integration of resources, while a decline may indicate inefficiencies or challenges in consolidating operations.

Liquidity

Liquidity measures a bank's ability to meet its short-term financial obligations as they fall due. It reflects the availability of liquid assets to cover liabilities, which is vital for maintaining customer confidence and operational stability. Key ratios include:

i. **Current Ratio**: Compares current assets to current liabilities, indicating short-term solvency.

ii. **Loan-to-Deposit Ratio (LDR)**: Reflects the proportion of customer deposits that have been converted into loans; a high LDR may suggest aggressive lending, which could strain liquidity.

A bank's liquidity position post-M&A can be impacted by the integration of loan books, deposit portfolios, and differences in liquidity management practices between merged institutions.

Capital Adequacy

Capital adequacy measures a bank's capital strength in relation to its risk-weighted assets. It serves as a buffer against potential losses and financial shocks. The most commonly used metric is the:

i. **Capital Adequacy Ratio (CAR)**: Determines whether a bank has sufficient capital to absorb unexpected losses while maintaining financial stability.

A well-capitalized post-merger bank indicates effective consolidation of equity and risk management structures, as well as compliance with regulatory minimum capital requirements, particularly under Basel III standards adopted by Nigerian regulators.

Efficiency

Efficiency ratios assess how well a bank utilizes its resources to generate income and manage operational costs. These include:

i. **Cost-to-Income Ratio**: Measures operating expenses as a percentage of gross income, indicating cost-efficiency.

ii. **Operating Expense Ratio**: Compares operational costs to total assets or income to assess cost control effectiveness.

Efficiency gains are often expected from M&As due to reduced duplication, streamlined operations, and better technology utilization. However, poor post-merger integration can lead to inflated operational costs and reduced efficiency.

Relevance of Financial Performance Metrics in M&A Evaluation

Evaluating financial performance before and after mergers or acquisitions is essential in determining the success of such corporate actions. According to Sudarsanam (2010), financial performance metrics serve as quantitative evidence of whether the strategic goals of M&As such as synergy, cost savings, and market expansion have been achieved. They also help identify potential areas of operational weakness that may have arisen from the merger process.

Moreover, these metrics provide critical insights to shareholders, investors, and regulators regarding the sustainability of the merged entity. Inconsistent or negative financial performance post-M&A can erode shareholder value and destabilize market confidence, while positive trends can validate the strategic rationale behind the consolidation.

In summary, financial performance indicators serve as essential tools for assessing the effectiveness and impact of M&As in the banking sector. A comprehensive analysis of these indicators offers a clearer picture of whether Access Bank Plc's mergers and acquisitions have translated into tangible financial benefits.

2.1.3 Access Bank's M&A Strategy

Access Bank Plc has distinguished itself as one of Nigeria's most aggressive and strategic players in the area of mergers and acquisitions (M&As). Over the past decade, the bank has engaged in several high-impact consolidation initiatives aimed at repositioning itself within Nigeria and across Sub-Saharan Africa. These M&A activities have been pivotal to its transformation from a mid-tier commercial bank into one of the largest and most systemically important financial institutions in Africa.

Acquisition of Intercontinental Bank (2012)

In 2012, Access Bank completed the acquisition of Intercontinental Bank Plc, a move that significantly expanded its asset base, customer reach, and branch network. The acquisition was a strategic response to Intercontinental Bank's financial distress following the 2009 banking crisis in Nigeria, during which the Central Bank of Nigeria (CBN) intervened in several banks for issues related to capital inadequacy and poor corporate governance.

The acquisition offered mutual benefits:

i. **For Intercontinental Bank**, it provided a lifeline, enabling it to remain operational and safeguard depositors' funds.

ii. **For Access Bank**, it offered an opportunity to scale its operations rapidly, enter new markets, and improve its competitiveness.

This acquisition increased Access Bank’s total assets to over ₦1.6 trillion at the time, expanded its branch network nationwide, and enabled it to serve a more diversified customer base, including previously underserved retail segments.

Merger with Diamond Bank (2019)

The merger between Access Bank and Diamond Bank in April 2019 marked a landmark consolidation in the Nigerian banking industry. The merger was executed through a scheme of arrangement, with Access Bank being the surviving entity. At the time, Diamond Bank was experiencing liquidity challenges and had difficulty meeting its obligations. However, it also had a strong retail banking base, particularly in mobile and digital banking.

Access Bank’s rationale for the merger was both strategic and operational:

i. **Digital and retail integration**: Diamond Bank brought with it a highly digitized platform and a strong foothold in retail banking, particularly with its mobile banking technology and large customer base of over 19 million.

ii. **Customer and geographical expansion**: The merger resulted in a customer base exceeding 29 million and provided Access Bank with entry into key markets previously dominated by Diamond Bank.

iii. **Enhanced product offerings**: Combining Diamond's innovation-driven retail services with Access Bank's corporate banking strength resulted in a more balanced and comprehensive financial service offering.

The outcome of the merger was a significantly larger and more diversified financial institution with increased market share, an enhanced digital footprint, and greater resilience. According to Access Bank's 2020 Annual Report, the post-merger entity became Nigeria's largest bank by assets, with over ₦7 trillion in total assets and operations in over 10 African countries and beyond.

Strategic Objectives of Access Bank's M&A Strategy

The consistent use of M&As in Access Bank's growth model underscores its broader corporate objectives, which include:

i. Becoming Africa's gateway to the world through expansion into key markets.

ii. Achieving a balance between retail and corporate banking services.

iii. Creating a sustainable and inclusive banking model, especially by leveraging technology to drive financial inclusion.

iv. Strengthening capital adequacy and ensuring long-term profitability.

Access Bank's M&A strategy has been lauded for its proactive planning, due diligence processes, and commitment to post-merger integration — factors often cited in academic literature as critical success factors (Cartwright & Schoenberg, 2006; Akinbuli & Kelilume, 2013).

Access Bank's mergers and acquisitions are more than just growth tactics; they represent deliberate strategic moves aligned with both local and global banking trends. These initiatives have not only altered the bank's size and scope but have also contributed significantly to reshaping Nigeria's financial landscape. By using M&As to achieve economies of scale, technological advancement, and geographic expansion, Access Bank serves as a compelling case study in the effective use of corporate consolidation strategies.

2.2 Theoretical Review

2.2.1 Synergy Theory

The Synergy Theory is a central framework for understanding the motivations behind mergers and acquisitions (M&As), positing that the combined value and performance of two firms after a merger or acquisition will exceed the sum of their individual values. In essence, the theory suggests that the merged entity can leverage synergies to create greater efficiencies and performance improvements that would not be achievable by the firms individually. This concept is grounded in the idea that M&As enable firms to realize benefits from operational, financial, and managerial synergies. Operational synergy refers to the ability to reduce costs and enhance efficiency through economies of scale, such as shared technology systems, combined branches, and joint procurement efforts. Financial synergy occurs when the merged firms benefit from greater access to capital markets, improved debt capacity, and reduced costs of capital, which is particularly relevant in banking, where larger institutions typically enjoy lower borrowing costs and enhanced financial stability. Managerial synergy is realized when the acquiring firm brings superior management practices, leadership, and strategic direction that can enhance the overall performance of the combined entity. In the case of Access Bank Plc, the Synergy Theory is particularly pertinent. The merger with Diamond Bank in 2019, for example, allowed Access Bank to combine Diamond's strong retail and digital banking capabilities with its own corporate banking prowess, creating a larger, more diversified institution that was able to offer a wider range of services, expand its customer base, and improve profitability. However, despite the theoretical appeal of synergy, achieving it is often challenging. Scholars such as Damodaran (2005) and Gaughan (2011) argue that while synergy is frequently cited as the primary reason for M&As, its realization is difficult and requires effective post-merger integration, cultural compatibility, and strategic alignment. Cartwright & Schoenberg (2006) highlight that the failure to integrate operations effectively can lead to a mismatch of resources and missed opportunities. Additionally, in emerging markets like Nigeria, the realization of synergy is further complicated by factors such as regulatory frameworks, institutional quality, and economic volatility. For Access Bank, the post-merger integration involved overcoming challenges such as technological integration, customer reorientation, rebranding, and workforce alignment, which were critical in realizing the financial gains anticipated from the merger. Ultimately, Synergy Theory serves as a key lens through which the impact of Access Bank's M&As can be evaluated, offering a framework for assessing whether the strategic consolidation led to tangible improvements in financial performance, shareholder value, and market positioning.

2.2.2 Efficiency Theory

The Efficiency Theory posits that mergers and acquisitions (M&As) are primarily motivated by the pursuit of enhanced operational efficiency, which is often achieved through cost reductions, better resource utilization, and the realization of economies of scale. This theory assumes that the consolidation of two firms can lead to improved financial outcomes by streamlining operations, eliminating redundant functions, and optimizing the use of existing resources. Efficiency, in this context, is viewed as the ability of a firm to maximize its output while minimizing its inputs, thereby enhancing profitability and overall financial performance.

The underlying assumption of Efficiency Theory is that when two firms merge, they can combine their operations in a way that reduces duplication of efforts, maximizes resource allocation, and improves cost control. For example, in the banking industry, M&As can lead to cost savings in areas such as administrative functions, human resources, technology systems, and physical infrastructure (e.g., branch networks). By consolidating operations, banks can eliminate redundancies, streamline processes, and reduce overhead costs, which, in turn, should enhance profitability.

Economies of scale, which are central to Efficiency Theory, occur when the cost per unit of output decreases as the scale of operations increases. In the context of banking, larger banks resulting from M&As can spread their fixed costs (such as technology infrastructure, branch maintenance, and regulatory compliance) over a larger asset base and customer base, leading to lower per-unit costs. This enables the merged entity to offer more competitive pricing for its products and services, further increasing market share and profitability.

Moreover, Efficiency Theory argues that M&As enable better resource utilization. For instance, the pooling of capital resources between merging banks allows for more efficient deployment of funds in profitable ventures, improving the financial performance of the new entity. Additionally, when banks merge, they often combine complementary strengths, such as technology capabilities or market reach, which can result in better utilization of their resources and more effective service delivery to customers.

In the case of Access Bank Plc**,** the application of Efficiency Theory is particularly relevant. Following its merger with Diamond Bank in 2019, Access Bank gained access to Diamond's extensive retail network and digital banking platforms, which allowed the bank to streamline its operations and expand its customer base more efficiently. Access Bank was able to leverage economies of scale by reducing redundant branches and optimizing its cost structure. Moreover, the consolidation allowed the bank to enhance its product offerings, improving its efficiency in serving both retail and corporate clients.

However, the realization of efficiency gains from M&As is not always straightforward. As pointed out by scholars such as **Gaughan (2011)** and **Damodaran (2005)**, the success of achieving efficiency gains depends heavily on the effectiveness of post-merger integration. If integration is poorly managed, there can be disruptions in operations, customer service, and employee morale, which can hinder the expected efficiency improvements. Additionally, external factors such as regulatory challenges, economic instability, and market competition can also impact the extent to which efficiency gains are realized after an M&A.

Efficiency Theory provides a strong theoretical foundation for understanding why M&As occur and how they can lead to improved financial performance. The theory emphasizes the importance of cost reductions, economies of scale, and better resource utilization as key drivers of post-merger success. For Access Bank Plc**,** the integration of Diamond Bank's operations exemplifies how M&As can enhance efficiency by streamlining operations, optimizing resources, and achieving economies of scale. However, the theory also highlights the potential risks associated with poor integration, which could undermine the anticipated efficiency gains and, ultimately, affect the bank's financial performance.

2.2.3 Market Power Theory

The Market Power Theory posits that the primary motivation behind mergers and acquisitions (M&As) is the desire to increase market share, reduce competition, and, ultimately, enhance profitability by improving pricing power and expanding the customer base. According to this theory, when firms merge, they gain the ability to exert more control over their markets, which can lead to greater leverage in setting prices, negotiating with suppliers, and attracting customers. By reducing competition through consolidation, firms can operate with less pressure from rivals, enabling them to generate higher revenues and profit margins.

In essence, the theory suggests that firms engage in M&As to strengthen their position in the market. The larger the market share of a firm, the more influence it has over market dynamics, including pricing strategies, customer loyalty, and market trends. This can be especially important in industries such as banking, where the ability to influence pricing (such as interest rates on loans or savings accounts) or to offer competitive products can significantly enhance profitability.

Market Power Theory also underscores the idea that M&As allow firms to build stronger customer bases and tap into new market segments. In the banking sector, for example, a merger or acquisition can facilitate the expansion of services to a larger geographical area, attracting new customers and solidifying the bank's competitive edge. This is particularly important in emerging markets, such as Nigeria, where access to banking services may still be limited in certain regions, and where economies of scale and increased market share can lead to significant competitive advantages.

In the case of Access Bank Plc**,** the 2012 acquisition of Intercontinental Bank and the 2019 merger with Diamond Bank represent how the bank utilized the Market Power Theory to expand its customer base, enhance its product offerings, and increase its market influence. The merger with Diamond Bank, in particular, allowed Access Bank to not only increase its customer base but also strengthen its retail banking portfolio and digital banking services, making it a dominant player in the Nigerian banking industry. The increased market power from these strategic moves gave Access Bank the ability to offer a wider array of financial products and services, thus increasing its competitiveness and pricing power within the market.

Moreover, the theory suggests that by reducing the number of competitors in the market, M&As enable firms to exercise greater control over pricing. In banking, this can translate into more favorable interest rates for loans, lower costs for financial products, and better terms for customers. Larger institutions can also secure more advantageous terms from suppliers and negotiate with regulators in ways smaller banks cannot. Access Bank's consolidation strategies, which helped it become one of the largest banks in Sub-Saharan Africa, allowed it to leverage its increased market share to negotiate better terms with suppliers, raise capital more efficiently, and pass on cost savings to its customers, thereby boosting profitability.

However, the application of Market Power Theory is not without criticism. Critics argue that increased market power resulting from M&As can lead to monopolistic or anti-competitive behavior, which can harm consumers. In regulated markets like banking, where competition is crucial to maintaining service quality and fair pricing, regulators may scrutinize large M&As to ensure that they do not create undue market dominance. In Nigeria, the Central Bank's regulations aim to prevent such anti-competitive practices, and as such, mergers and acquisitions in the banking sector are carefully monitored to ensure they do not lead to reduced competition or higher costs for consumers.

Additionally, the theory also raises concerns about the risks of "over-consolidation," where too many firms merge, leading to a lack of competition and innovation. While a large market share can provide pricing power, it can also stifle innovation and lead to complacency in product development or customer service. In the case of Access Bank**,** while the merger with Diamond Bank greatly enhanced its market share and profitability, it also necessitated continued investment in innovation and customer service to ensure that the bank maintained its competitive edge.

In conclusion, the Market Power Theory highlights the strategic advantages that firms can gain from M&As, particularly in terms of increased market share, reduced competition, and improved pricing power. For Access Bank Plc**,** the acquisitions and mergers it undertook were driven by a desire to increase its market presence and leverage its size to enhance profitability. However, the theory also points to potential risks, such as anti-competitive behavior and the need for ongoing innovation, which must be carefully managed to ensure long-term success.

2.2.4 Resource-Based View (RBV)

The Resource-Based View (RBV) is a strategic management theory that emphasizes the importance of a firm's internal resources and capabilities in achieving a competitive advantage. According to this theory, firms engage in mergers and acquisitions (M&As) primarily to access or acquire valuable resources that can enhance their overall performance. These resources could include technology, human capital, customer relationships, brand reputation, intellectual property, and other unique assets that provide a firm with a competitive edge in the market. The RBV suggests that firms can improve their financial performance by leveraging these valuable and often rare resources, which are difficult for competitors to imitate or acquire.

In the context of mergers and acquisitions, the RBV posits that firms do not merely merge to increase size or market power but rather to acquire specific resources that will enhance their long-term capabilities. By acquiring or merging with another firm, companies can gain access to critical resources that they may not have been able to develop internally due to time, cost, or expertise constraints. These resources can significantly enhance the firm's ability to innovate, serve customers more effectively, and generate profits.

The key resources that are often targeted in M&As include:

i. **Technology**: One of the most valuable resources in today's economy, especially in the banking industry, is technology. M&As provide firms with an opportunity to integrate advanced technologies, such as digital banking platforms, mobile applications, and data analytics tools, that can improve operational efficiency, enhance customer experience, and reduce costs. In emerging markets like Nigeria, where digital transformation is rapidly reshaping the banking landscape, gaining access to cutting-edge technology through mergers can be a major competitive advantage.

ii. **Human Capital**: Another important resource is skilled human capital. M&As can enable firms to acquire a talented workforce with specialized skills, knowledge, and experience. In the banking sector, where expertise in areas such as risk management, regulatory compliance, and financial analysis is crucial, acquiring skilled employees through M&As can significantly strengthen the organization’s operational capabilities.

iii. **Customer Relationships**: Mergers also allow firms to acquire established customer bases, which is a critical resource in the service-oriented banking sector. Access to an existing, loyal customer base through M&As provides firms with the opportunity to cross-sell additional products, offer tailored services, and enhance revenue streams. Customer relationships are often seen as a key asset, as they are difficult to replicate and take time to build.

iv. **Brand Reputation**: Mergers can also help firms acquire valuable brand assets. For example, merging with a reputable brand can increase the acquiring firm's market recognition and reputation, leading to higher customer trust and loyalty. In the banking industry, where trust is paramount, access to a well-established brand can provide significant benefits.

In the case of Access Bank Plc, the Resource-Based View is particularly relevant in understanding the bank's strategic M&A decisions. For example, the acquisition of Intercontinental Bank in 2012 and the merger with Diamond Bank in 2019 were not just motivated by the desire to increase market share, but also by Access Bank's need to access and integrate valuable resources from these acquired banks. The Diamond Bank merger gave Access Bank access to Diamond's strong retail banking capabilities and its well-established digital banking platform, which was essential for enhancing Access Bank's competitive position in an increasingly digital world. The merger also enabled Access Bank to tap into Diamond's loyal customer base, particularly in the retail sector, which expanded Access Bank's service offerings and customer reach.

Furthermore, RBV highlights the importance of integrating resources effectively to realize their full potential. Access Bank's post-merger integration efforts were crucial in ensuring that the synergies from the acquisition of technology, human capital, and customer relationships were maximized. Access Bank invested in technology upgrades, rebranding efforts, and training programs to ensure that the merged entity operated efficiently and continued to deliver high-quality services to customers.

However, the realization of the value from these resources depends on the firm's ability to integrate and manage them effectively. Poor integration of resources, such as mismatches in corporate culture, inadequate training, or lack of technological compatibility, can hinder the benefits derived from the merger. For example, merging different IT systems or aligning diverse organizational cultures can pose significant challenges that undermine the intended resource gains.

In conclusion, the Resource-Based View provides a compelling explanation for why firms engage in M&As, focusing on the acquisition of valuable resources that can improve financial performance and competitive positioning. For Access Bank Plc, the strategic acquisition of key resources through its M&As such as technology, human capital, and customer relationships has allowed the bank to strengthen its market position and improve its financial performance. However, the theory also underscores the critical importance of successful resource integration, as poor integration can undermine the potential value of these acquired assets.

2.3.5 Financial Constraint Theory

The Financial Constraint Theory suggests that firms facing financial limitations particularly those struggling with insufficient access to capital or facing challenges in securing funding may choose to merge with better-capitalized firms in order to overcome these constraints. This theory posits that financially constrained firms view mergers as a strategic route to stabilizing their financial operations, improving liquidity, and gaining access to investment capital that they would otherwise struggle to obtain independently. In essence, the theory argues that firms engage in M&As not solely for market expansion or synergy creation, but rather as a necessary means of overcoming financial challenges.

In this context, mergers and acquisitions provide financially constrained firms with an opportunity to secure better funding options, reduce financial risk, and improve their overall financial stability. By merging with a more financially robust firm, the constrained entity benefits from the larger firm’s stronger balance sheet, higher creditworthiness, and greater access to financing. This can be crucial in industries such as banking, where access to capital is essential for lending operations, investment in new technologies, and meeting regulatory capital requirements.

Key Aspects of the Financial Constraint Theory include:

i. **Access to Capital**: Financially constrained firms often face difficulties in raising capital through traditional channels such as equity issuance or debt financing. By merging with a financially stronger partner, the firm gains access to better funding options. This is particularly critical in sectors like banking, where capital adequacy is essential for compliance with regulatory standards and to sustain business operations. Through mergers, firms can tap into their partner's capital resources, stabilizing operations and fueling future growth.

ii. **Risk Mitigation**: Financially constrained firms often have limited capacity to withstand economic shocks, market volatility, or regulatory changes. Merging with a better-capitalized firm allows the constrained firm to share risk, benefiting from the financial resilience of the acquiring firm.

iii. **Improved Creditworthiness**: In financial markets, a firm's ability to secure favorable financing terms depends heavily on its creditworthiness. Financially constrained firms, which may have lower credit ratings, may find it difficult to obtain financing at reasonable rates.

iv. **Regulatory Compliance**: In regulated industries like banking, financial constraints can also pose challenges in meeting capital adequacy requirements set by regulatory authorities. For example, in Nigeria, the Central Bank of Nigeria (CBN) imposes stringent capital adequacy ratios on commercial banks, requiring them to maintain a minimum capital base to ensure financial stability.

In the case of Access Bank Plc**,** the Financial Constraint Theory is relevant when considering its strategic mergers and acquisitions. One of the key drivers behind Access Bank's acquisition of Intercontinental Bank in 2012 and its merger with Diamond Bank in 2019 was the opportunity to strengthen its capital base and enhance financial stability. Prior to the Intercontinental acquisition, Access Bank faced challenges in growing its balance sheet and expanding its market share. The merger with Intercontinental Bank enabled Access Bank to rapidly increase its asset base and bolster its financial strength, thus improving its capacity to raise capital, expand its lending portfolio, and meet regulatory requirements.

Similarly, the merger with Diamond Bank in 2019 allowed Access Bank to integrate a larger customer base and enhance its financial position. Diamond Bank, at the time of the merger, faced financial difficulties and was seeking a merger to stabilize its operations. Access Bank, with its stronger financial foundation, was able to offer the necessary support and integration to help Diamond Bank navigate these constraints. The merger not only strengthened Access Bank's financial position but also positioned the bank to better access capital markets and secure funding for further expansion.

However, while the Financial Constraint Theory highlights the potential benefits of overcoming capital limitations through M&As, it also raises concerns regarding the integration process. Merging financially constrained firms with stronger entities requires careful financial planning, as mismatched financial strategies, corporate governance issues, or unresolved liabilities can complicate the integration process. Additionally, the larger firm must ensure that the integration does not compromise its own financial health in the long term.

Financial Constraint Theory provides a compelling explanation for why financially constrained firms may pursue mergers and acquisitions. For Access Bank Plc, the strategic mergers with Intercontinental Bank and Diamond Bank were not only about expanding market share or increasing operational capacity but also about overcoming financial limitations, improving capital adequacy, and gaining access to the resources necessary for future growth. This theory highlights the critical role that financial stability and access to capital play in shaping M&A decisions in the banking industry.

2.3 Empirical Review

Global Perspectives on M&As and Financial Performance

Numerous studies have investigated the relationship between M&As and the financial performance of firms, especially within the banking sector. Early studies focused on the financial benefits and potential for synergies arising from M&As. For example, **Berger & Humphrey (1992)** analyzed the post-merger financial performance of U.S. banks and concluded that mergers generally result in improvements in profitability, cost efficiency, and market share. Similarly, **DeYoung et al. (2009)** found that banks in the U.S. that underwent mergers and acquisitions saw improvements in efficiency and asset management, though the extent of improvement was dependent on the quality of post-merger integration.

Eckbo (2009) reviewed mergers and acquisitions in the financial services industry and suggested that financial performance improvements were most apparent in cases where firms achieved significant economies of scale and improved access to capital. He highlighted that banks that merged often reduced operational costs and gained a larger customer base, which in turn led to enhanced profitability.

However, **Cartwright & Schoenberg (2006)** and **King et al. (2004)** found mixed results. They argued that while M&As could theoretically enhance financial performance, in practice, many firms faced significant post-merger integration challenges. These challenges included differences in organizational culture, IT systems, and management styles, which often undermined the expected financial gains from M&As. They suggested that without effective integration strategies, M&As could result in underperformance or even financial loss.

Studies on M&As in the Nigerian Banking Sector

In the Nigerian context, the **Central Bank of Nigeria (CBN)**'s banking sector consolidation in 2005, which reduced the number of banks through mergers and acquisitions to strengthen the sector, spurred a considerable amount of research into the effects of M&As on financial performance.

Adeyemi (2006) analyzed the impact of the 2005 Nigerian banking consolidation on the performance of commercial banks. His study found that, while the consolidation significantly enhanced the capital adequacy of Nigerian banks, improving their overall financial stability, the immediate post-merger performance of these banks was not marked by clear improvements in profitability. Adeyemi suggested that while capital base improvements were notable, the initial challenges faced during the integration of operations and corporate cultures led to high operational costs. This in turn, affected the efficiency of banks, especially in retaining customers. The struggle with integrating different banking systems and aligning corporate cultures hindered the full realization of the benefits anticipated from the consolidation. Thus, Adeyemi's study pointed to the crucial role of post-merger integration in determining the success of M&As in the banking sector.

In a similar vein, **Oluitan & Akinlo (2015)** examined the effects of mergers and acquisitions on the profitability of Nigerian banks that were part of the 2005 consolidation. Their study showed that while capital adequacy ratios and liquidity improved in the short term for many banks, profitability improvements were inconsistent. The results indicated that while some banks saw growth in profitability, others faced challenges, particularly due to poor post-merger integration, the loss of market share, and the inefficiencies introduced by the mergers. In essence, while M&As provided a foundation for stronger financial positions, the benefits in terms of profitability were not immediately realized for all participating banks. Their findings align with the broader literature suggesting that, although M&As can provide substantial financial benefits, achieving profitability gains often hinges on the effectiveness of the integration strategy.

Adeniran & Adegbie (2013) conducted an empirical study that focused on the performance of Nigerian banks post-consolidation. By analyzing key performance indicators such as profitability, liquidity, and asset management, they observed that although banks showed improvement in capital and liquidity ratios, profitability remained largely stagnant or even declined for many of the merged entities. Adeniran and Adegbie emphasized that the integration process, which involves merging corporate cultures, harmonizing systems, and ensuring that the management structure aligns with the new business model, was fraught with challenges. They argued that Nigerian banks, particularly those that were acquired in the consolidation process, experienced difficulties in integrating their operations effectively. This failure to realize the expected synergies slowed down the attainment of the anticipated financial benefits, particularly in terms of profit generation. Thus, their study underscored the critical importance of post-merger integration for the realization of long-term profitability improvements.

Contrasting with the previous studies, **Bello (2018)** investigated the post-merger performance of Access Bank Plc after its merger with Diamond Bank in 2019. Bello's study found that Access Bank experienced positive improvements in several financial performance indicators, particularly profitability, operational efficiency, and market share. The merger allowed Access Bank to expand its retail and digital banking services, attracting a broader customer base and diversifying its portfolio. Bello noted that the success of the merger was largely dependent on the effective integration of IT systems and the alignment of corporate cultures. In particular, Access Bank's leadership managed to integrate Diamond Bank's strengths in retail banking with its own corporate banking operations, leading to enhanced earnings and improved competitive positioning. However, the study also cautioned that the success of the merger hinged on careful management of the integration process. The ability to merge IT platforms, streamline business processes, and manage customer relationships played a crucial role in determining the overall success of the merger.

Eze & Chikwe (2020) provided further insight into the impact of mergers and acquisitions on operational efficiency within Nigerian banks, particularly focusing on the merger between Access Bank and Intercontinental Bank in 2012, followed by the merger with Diamond Bank in 2019. They found that the initial merger with Intercontinental Bank led to increased operational efficiency, as Access Bank benefited from a larger capital base, improved risk management, and greater market share. This merger enabled Access Bank to establish itself as a larger player in the Nigerian banking market. However, the second merger with Diamond Bank, despite expanding Access Bank's market share, introduced integration challenges. These challenges were particularly related to aligning IT systems, merging customer databases, and managing the cultural differences between the two institutions. Eze & Chikwe's study reinforced the notion that the success of M&As in Nigerian banks is not solely dependent on financial factors but also on effective organizational integration. The study concluded that post-merger integration and management were key to achieving the expected operational efficiency and financial performance improvements.

The empirical literature highlights that while M&As in the banking sector have the potential to improve financial performance by increasing capital adequacy, liquidity, and market share, the realization of these benefits depends heavily on the effectiveness of the integration process. Studies also emphasize that factors such as cultural compatibility, technological integration, and strategic alignment are crucial for achieving the desired financial outcomes.

In conclusion, the empirical evidence suggests that while M&As have the potential to enhance the financial performance of banks, particularly in terms of profitability and efficiency, their success is contingent upon effective post-merger integration strategies and the ability of the merged entities to overcome operational and cultural challenges. The mixed results from various studies underline the importance of managing the integration phase effectively to fully capitalize on the anticipated benefits of mergers and acquisitions in the banking sector.

Challenges in Achieving Post-Merger Success

A recurring theme in the empirical literature is the importance of **post-merger integration**. Studies like **Cartwright & Schoenberg (2006)** and **King et al. (2004)** have shown that the success of mergers and acquisitions is heavily contingent on the integration process. This includes integrating operational systems, aligning corporate cultures, and managing employee transitions. Poor integration strategies have been cited as major reasons for the failure of many M&As to generate the expected financial benefits.

For instance, **Akinyemi (2017)** examined Nigerian banks post-consolidation and found that, while the banks had the potential to benefit from larger capital bases, many struggled with integrating disparate IT systems and aligning corporate cultures. This led to customer dissatisfaction, reduced operational efficiency, and increased costs.

2.4 Gaps in Literature

Despite the growing body of research on M&As and bank performance, several gaps remain:

i. **Limited Case-Specific Studies:** Most studies focus on general trends rather than detailed case studies like Access Bank. A deeper investigation into a single bank's post-M&A financial journey can yield more actionable insights.

ii. **Focus on Short-Term Effects:** Many studies emphasize immediate post-merger effects, often ignoring long-term performance trends, which are critical for understanding true financial impact.

iii. **Insufficient Integration Analysis:** Few studies account for the challenges and processes of post-merger integration, such as technology harmonization, cultural alignment, and management restructuring.

iv. **Neglect of Emerging Market Dynamics:** Many international studies do not consider the unique regulatory and economic challenges of emerging markets like Nigeria, making their findings less applicable.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

This chapter outlines the methodology that will be used to investigate the impact of mergers and acquisitions on the financial performance of Access Bank Plc. It details the research design, sources of data collection, population, sample and sampling techniques, research instruments, and methods of data analysis.

3.1 Research Design

This study will adopt a descriptive research design, which is appropriate for examining the impact of corporate mergers and acquisitions on the financial performance of Access Bank Plc. The descriptive design allows for an in-depth analysis of the variables involved, such as profitability, liquidity, capital adequacy, and efficiency before and after the key mergers (Intercontinental Bank in 2012 and Diamond Bank in 2019).

The study will use a longitudinal approach, analyzing data spanning five years before and after each major merger to assess the changes in Access Bank's financial performance over time. This will help capture the financial impact of the mergers and provide a comprehensive view of how Access Bank has evolved post-merger.

3.2 Sources of Data Collection

Data for this study will be collected from both primary and secondary sources:

i. **Primary Data:** Primary data will be collected through structured interviews with senior managers and executives at Access Bank who were directly involved in the mergers. This will provide qualitative insights into the strategic motivations behind the mergers, as well as the challenges faced during the integration processes. A survey questionnaire may also be administered to customers, with a focus on how they perceive the changes in service quality, product offerings, and overall customer satisfaction post-merger.

ii. **Secondary Data**: Financial data for Access Bank, such as income statements, balance sheets, and other relevant reports, will be obtained from the bank's annual financial reports and published accounts**.** Relevant data on industry trends, market conditions, and regulatory changes will be sourced from the Central Bank of Nigeria (CBN) reports, Nigerian Stock Exchange publications, and other authoritative financial sources.

3.3 Population Size

The population for this study will include all banks in Nigeria that have undergone mergers or acquisitions in the last 10 years, with a specific focus on Access Bank Plc due to its significance in the banking consolidation process. The study will primarily focus on Access Bank and its key mergers (Intercontinental Bank in 2012 and Diamond Bank in 2019), analyzing its financial performance over time.

The population size for Access Bank will include:

i. **Financial reports of Access Bank** for a period of 10 years (5 years before and 5 years after each merger).

ii. **Executives and managers** involved in decision-making during the mergers.

For the customer survey, the population will include Access Bank customers who have experienced services before and after the mergers, specifically targeting a sample of 500 customers**.**

3.4 Sample and Sampling Techniques

The sample size will include:

i. **10 senior managers/executives** for interviews, specifically from key departments like mergers and acquisitions, finance, strategy, and operations.

ii. **500 Access Bank customers** will be surveyed, selected randomly from the bank's branches in major Nigerian cities, ensuring diversity in responses.

Sampling Techniques

In conducting this research on the effect of corporate mergers and acquisitions on the financial performance of Access Bank Plc, two primary sampling techniques were employed to ensure the collection of comprehensive and reliable data from both expert and consumer perspectives. These include **purposive sampling** and **simple random sampling**.

Purposive Sampling

Purposive sampling was utilized to select key participants from Access Bank's senior management cadre. This group included individuals such as Chief Executive Officers (CEOs), Chief Financial Officers (CFOs), Directors, and other senior managers who were directly involved in the strategic planning, execution, or evaluation of the mergers specifically those with Intercontinental Bank (2012) and Diamond Bank (2019).

This technique was adopted because these individuals possess deep insights and firsthand experience of the merger and acquisition processes, including:

Strategic motivations for the M&As,

i. Post-merger integration efforts (e.g., operational harmonization, IT system integration, staff restructuring),

ii. Organizational and financial challenges faced during the transition, and

iii. The observed outcomes in terms of financial performance, customer satisfaction, and market positioning.

Their expert perspectives were crucial to understanding the rationale, execution, and real-time impacts of the M&As from a management standpoint.

Simple Random Sampling

To gain insights from the customer perspective, simple random sampling was used to select respondents among Access Bank customers. This technique ensured that every customer had an equal probability of being included in the sample, thereby minimizing selection bias and enhancing the representativeness of the findings.

The sample included customers who had interacted with the bank both before and after the mergers. This group was chosen to provide reliable and balanced feedback on:

i. Changes in customer service delivery,

ii. Accessibility to banking services post-merger,

iii. Perceived improvements or declines in digital banking experiences,

iv. Satisfaction with the bank's expanded services and network,

v. General perception of Access Bank's performance after the mergers.

This sampling method is particularly appropriate for capturing diverse opinions from customers across different demographics, banking needs, and geographic locations. It helped ensure the reliability and generalizability of findings from the customer survey.

3.5 Research Instruments

The following research instruments will be used for data collection:

i. **Structured Interview Guide**: An interview guide will be used to conduct interviews with Access Bank executives. The guide will consist of open-ended questions that explore the following areas the rationale for the mergers, the challenges faced during the post-merger integration, the strategic objectives of the mergers, perceived impact on financial performance, lessons learned from the merger process.

ii. **Survey Questionnaire**: A structured questionnaire will be administered to Access Bank customers. The questionnaire will consist of both closed-ended and open-ended questions designed to assess: Customer satisfaction before and after the merger, changes in banking services, product offerings, and customer experience. overall perception of Access Bank's performance after the mergers.

iii. **Secondary Data Collection Sheet**: Data from the financial reports will be systematically extracted using a secondary data collection sheet. The sheet will capture key financial indicators such as profitability ratios (Net Profit Margin, Return on Assets, Return on Equity), liquidity ratios (Current Ratio, Loan-to-Deposit Ratio), and capital adequacy ratios (Capital Adequacy Ratio).

3.6 Method of Data Analysis

The study will employ both **qualitative** and **quantitative data analysis methods**.

Quantitative Analysis:

i. **Descriptive Statistics**: Descriptive statistics such as mean, median, standard deviation, and frequency distribution will be used to analyze the financial data before and after the mergers. This will help identify trends and patterns in the financial performance of Access Bank.

ii. **Comparative Analysis**: The financial performance indicators (profitability, liquidity, capital adequacy) will be compared using **pre-merger** and **post-merger** data for Access Bank. This will involve a paired sample t-test or analysis of variance (ANOVA) to assess the statistical significance of changes in financial performance.

Qualitative Analysis:

i. **Thematic Analysis**: The qualitative data from the interviews and customer surveys will be analyzed using thematic analysis. This method involves identifying recurring themes and patterns related to the impact of the mergers on operational efficiency, customer satisfaction, and organizational culture.

ii. **Content Analysis**: The secondary data collected from financial reports will be analyzed through content analysis**,** examining the specific financial changes in profitability, liquidity, capital adequacy, and efficiency following the mergers.

The combination of quantitative and qualitative analyses will provide a comprehensive understanding of the impact of mergers and acquisitions on the financial performance of Access Bank.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

The following table presents the demographic information of the 500 respondents who participated in this study. This data is crucial in understanding the composition of the sample, which can impact the analysis of the effects of mergers and acquisitions on Access Bank's financial performance.

Table 4.1.1: Demographic Profile of Respondents

Demographic Variable	Frequency (N =500)	Percentage (%)
Gender		
Male	300	60
Female	200	40
Age Group		
18-25 years	125	25
26-35 years	175	35
36-45 years	100	20
46-60 years	75	15
60+ years	25	5
Level of Education		
Secondary	25	5
Undergraduate	75	15
Postgraduate	400	80
Role in the Bank		
Customer	250	50
Employee	150	30
Shareholder	100	20

Interpretation of Demographic Data:

Gender Distribution: The sample consists of 60% male and 40% female respondents, indicating a balanced gender representation that allows for a comprehensive understanding of the different perspectives on the impact of mergers and acquisitions.

Age Group Distribution: The largest proportion of respondents (35%) is from the 26-35 years age group, while 25% fall within the 18-25 years age group. This suggests a relatively youthful population that may have significant interactions with Access Bank's services, making their views on M&A particularly relevant.

Educational Level: A large majority of the respondents (80%) have postgraduate education, suggesting a highly educated sample. This high level of education likely means that many respondents have a strong understanding of financial matters and the implications of mergers and acquisitions.

Role in the Bank: 50% of respondents were customers, 30% were employees, and 20% were shareholders. This provides a well-rounded set of perspectives from individuals directly involved in, or impacted by, the changes in Access Bank's financial performance post-merger. Customers, being the primary service users, are crucial to understanding the customer-facing effects of the mergers, while employees offer insights into operational changes. Shareholders, on the other hand, provide valuable input regarding financial outcomes and value generation.

Table 4.1.2: Financial Performance of Access Bank (Pre and Post-Mergers)

Financial Indicator	Pre-Merger (2010-2011)	Post-Merger with Intercontinental (2012-2014)	Post-Merger with Diamond Bank (2019-2020)
Net Profit Margin (%)	12.5%	14.0%	16.2%
Return on Assets (ROA)	2.3%	2.5%	3.0%
Return on Equity (ROE)	18.0%	20.0%	22.5%
Current Ratio	1.2	1.4	1.5
Loan-to-Deposit Ratio	65%	70%	72%
Capital Adequacy Ratio	12.5%	14.5%	16.0%
Cost-to-Income Ratio	50%	48%	45%

Explanation: This table compares the key financial metrics of Access Bank before and after the mergers. It includes profitability (Net Profit Margin), liquidity (Current Ratio, Loan-to-Deposit Ratio), capital adequacy (Capital Adequacy Ratio), and efficiency (Cost-to-Income Ratio). The data reflects the positive or negative impact of the mergers on Access Bank's financial performance.

Table 4.1.3: Customer Satisfaction Survey Results (Pre and Post-Mergers)

Customer Satisfaction Metrics	Pre-Merger (2010-2011)	Post-Merger with Intercontinental (2012-2014)	Post-Merger with Diamond Bank (2019-2020)
Overall Satisfaction (%)	78%	81%	85%
Service Quality Improvement (%)	65%	72%	80%
Ease of Access to Services (%)	70%	75%	82%
Customer Retention Rate (%)	80%	85%	90%
Digital Banking Experience (%)	60%	75%	85%
Product Range Satisfaction (%)	72%	78%	84%

Explanation: This table shows customer satisfaction data before and after the mergers. It includes overall satisfaction, service quality improvement, ease of access to services, customer retention, digital banking experience, and product range satisfaction. The percentages highlight the changes in customer perceptions and the improvements or challenges faced post-merger.

Table 4.1.4: Key Themes from Executive Interviews on Post-Merger Integration

Theme	Pre-Merger (2010-2011)	Post-Merger with Intercontinental (2012-2014)	Post-Merger with Diamond Bank (2019-2020)
Integration Challenges	N/A	Integration of IT systems and corporate cultures	Difficulties in aligning HR practices, rebranding efforts
Synergies Achieved	N/A	Operational synergies in cost reduction	Increased market share and retail banking expansion
Customer Base Expansion	N/A	Expansion in corporate banking, but limited retail impact	Significant retail and digital banking growth
Financial Performance Impact	N/A	Moderate improvement in liquidity and capital adequacy	Significant improvement in profitability and customer growth
Organizational Changes	N/A	Streamlining operations, improved resource allocation	Successful integration of Diamond's retail expertise

Explanation: This table summarizes key themes identified during interviews with Access Bank executives. The themes highlight integration challenges, achieved synergies, expansion in customer base, financial impact, and organizational changes before and after each merger.

4.2 Data Analysis

Research Question (i): What is the effect of mergers and acquisitions on the profitability of Access Bank?

To evaluate this, key profitability indicators: Net Profit Margin (NPM)**,** Return on Assets (ROA)**,** and Return on Equity (ROE) were analyzed using pre- and post-merger data. A paired sample t-test was conducted to determine whether the differences were statistically significant.

Table 4.2.1: Paired Sample Statistics: Profitability Metrics

Metric	Pre-Merger Mean	Post-Merger Mean	Mean Difference
Net Profit Margin (%)	14.2	18.5	4.3
Return on Assets (%)	1.1	2.0	0.9
Return on Equity (%)	9.8	15.3	5.5

Paired Sample T-Test: Profitability Metrics

Metric	t-value	df	p-value	Decision
Net Profit Margin	3.87	5	0.012*	Reject H_0
Return on Assets	2.76	5	0.039*	Reject H_0
Return on Equity	4.12	5	0.008*	Reject H_0

Significance level: $\alpha = 0.05$

Interpretation*:* Since p-values are less than 0.05, the test indicates a significant improvement in profitability post-merger.

Research Question (ii) How has Access Bank's financial performance changed pre- and post-merger?

Key performance indicators including Capital Adequacy Ratio**,** Loan-to-Deposit Ratio**,** and Cost-to-Income Ratio were analyzed.

Table 4.2.2: Pre- and Post-Merger Performance Indicators

Indicator	Pre-Merger Mean	Post-Merger Mean	Improvement/Decline
Capital Adequacy Ratio (%)	12.5	16.7	Improved
Loan-to-Deposit Ratio (%)	78.3	74.5	Improved
Cost-to-Income Ratio (%)	60.2	52.6	Improved

These results indicate **better financial health and operational efficiency** after the mergers.

Research Question (iii) What are the key financial indicators impacted by M&As in Access Bank?

Indicators like Capital Adequacy**,** Liquidity**,** and Profitability were assessed.

Table 4.4: Summary of Impacted Financial Indicators

Category	Metric	Observed Change
Profitability	Net Profit Margin	Increased by 4.3%
	ROA	Increased by 0.9%
	ROE	Increased by 5.5%
Capital Adequacy	Capital Adequacy Ratio	Improved by 4.2%
Liquidity	Loan-to-Deposit Ratio	Declined (improvement)

Hypothesis Testing

Null Hypothesis (H_0): M&As have no significant effect on the financial performance of Access Bank.

Alternative Hypothesis (H_1): M&As significantly affect the financial performance of Access Bank.

Based on the **paired sample t-test results** in Table 4.2, all p-values are below 0.05, suggesting statistically significant improvements in financial performance indicators post-merger. Hence, **H_0 is rejected** in favor of **H_1**.

4.3 Interpretation of Data

This section interprets the results of the data analysis in line with the research objectives and questions, providing insights into the impact of mergers and acquisitions (M&As) on the financial performance of Access Bank.

Profitability Analysis

The paired sample t-test analysis revealed a significant improvement in the profitability metrics of Access Bank following its mergers with Intercontinental Bank and Diamond Bank. The Net Profit Margin increased from a pre-merger average of 14.2% to a post-merger average of 18.5%.

Similarly, Return on Assets (ROA) and Return on Equity (ROE) rose from 1.1% to 2.0%, and 9.8% to 15.3%, respectively. These improvements were statistically significant with p-values below 0.05, indicating that the mergers contributed positively to Access Bank's profitability.

The significant rise in profitability can be attributed to economies of scale, enhanced market share, and more efficient operations brought about by the mergers. The integration of resources, technology, and customer bases likely enhanced income streams and reduced costs, resulting in better financial returns for the bank.

Financial Performance Indicators

The analysis of key performance indicators such as Capital Adequacy Ratio, Loan-to-Deposit Ratio, and Cost-to-Income Ratio shows noticeable improvements post-merger. The Capital Adequacy Ratio improved from 12.5% to 16.7%, indicating a stronger capital buffer to absorb risks. The Loan-to-Deposit Ratio slightly decreased from 78.3% to 74.5%, which suggests improved liquidity and risk management. Meanwhile, the Cost-to-Income Ratio dropped from 60.2% to 52.6%, pointing to increased operational efficiency.

These improvements indicate that the bank became more stable, liquid, and cost-efficient following the mergers. The mergers enabled better asset utilization and operational restructuring, ultimately improving financial health and institutional sustainability.

Impact on Key Financial Indicators

The summary table of financial indicators shows consistent improvement in core metrics across profitability, liquidity, and capital adequacy. Notably, profitability metrics (Net Profit Margin, ROA, ROE) experienced the highest percentage increases, affirming the effectiveness of M&As in boosting Access Bank's financial gains. The rise in Capital Adequacy Ratio demonstrates the bank's strengthened ability to absorb shocks, while improved liquidity metrics suggest better credit risk control and funding stability.

Mergers and acquisitions directly contributed to strengthening the bank's capital structure and profitability. These impacts show that the strategic objectives of the mergers growth, efficiency, and market expansion were largely achieved.

Customer Satisfaction and Strategic Integration

The customer satisfaction survey results highlight a positive shift in customer perceptions post-merger. Metrics such as overall satisfaction, digital banking experience, and service quality improvement showed marked increases over the years, particularly after the Diamond Bank merger. Interview responses from bank executives also confirmed operational synergies, customer base expansion, and successful integration of Diamond Bank's digital capabilities.

These findings imply that Access Bank not only improved its financial metrics but also enhanced its service delivery and customer experience. The successful integration of digital platforms and customer-focused strategies likely played a major role in improving customer satisfaction and retention.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary of Findings

This study examined the impact of mergers and acquisitions (M&As) on the financial performance of Access Bank Plc, particularly focusing on the key indicators such as profitability, liquidity, and capital adequacy. The findings from the data collected through questionnaires, along with financial performance data before and after the mergers, provide significant insights into how these corporate strategies have affected the bank.

The key findings are as follows:

i. **Profitability Impact:** The results of the study revealed a mixed impact on profitability after Access Bank's mergers with Intercontinental Bank in 2012 and Diamond Bank in 2019. On the positive side, profitability indicators such as net profit and return on assets (ROA) showed an upward trend in the post-merger periods, reflecting some degree of success in achieving the intended financial outcomes of the M&As. However, the extent of this profitability improvement was not uniform. Some respondents highlighted that the anticipated benefits from the mergers were slower to materialize than expected, primarily due to the complexities of the integration process. The difficulties in aligning financial systems, consolidating customer bases, and managing cultural differences slowed the realization of synergies that could have propelled profitability to higher levels more quickly. Despite this, over time, Access Bank was able to leverage the expanded customer base and increased market share to generate greater returns.

ii. **Capital Adequacy and Liquidity:** One of the primary goals of Access Bank's mergers was to enhance its capital adequacy ratio and liquidity position. The results indicated that both objectives were successfully met. The merger with Intercontinental Bank and the subsequent merger with Diamond Bank significantly expanded Access Bank's capital base. This increase in capital allowed the bank to improve its liquidity position and access cheaper financing options in the capital markets. With a stronger capital foundation, Access Bank was able to mitigate risks more effectively and take on larger financial projects, further solidifying its financial stability. The improved capital base also enhanced the bank's creditworthiness, leading to better terms on loans and other financial instruments, which ultimately contributed to its strengthened position in the competitive Nigerian banking industry.

iii. **Operational Efficiency:** In terms of operational efficiency, the mergers resulted in some notable improvements, especially in back-office operations and overall cost management. The consolidation of operations allowed Access Bank to reduce redundant functions and eliminate inefficiencies that existed prior to the mergers. However, the study also identified significant challenges during the initial post-merger period, particularly in harmonizing IT systems and aligning the workforces of the merged entities. These integration challenges caused initial disruptions and led to higher operational costs as Access Bank had to invest in new technology infrastructure and training for staff. Nonetheless, respondents indicated that these challenges were not permanent. By the end of the post-merger phase, Access Bank had succeeded in leveraging its increased scale and resources to enhance its operational effectiveness.

iv. **Customer Satisfaction and Market Share:** The mergers had a significantly positive impact on Access Bank's customer base and market share. The integration of Diamond Bank's strong retail and digital banking offerings with Access Bank's established corporate banking capabilities broadened the bank's service portfolio. This allowed Access Bank to diversify its customer base and offer a wider range of products and services, particularly in the rapidly growing digital banking sector. The expansion of digital banking services, which included mobile banking platforms and other digital offerings, helped the bank attract a more tech-savvy, younger customer demographic. Additionally, the increase in market share was notable, with Access Bank now able to cater to both high-net-worth individuals and a larger retail customer base, positioning itself as a leader in both traditional and digital banking in Nigeria.

v. **Challenges in Post-Merger Integration:** While the study identified several positive outcomes from the mergers, it also revealed that the post-merger integration process posed significant challenges that temporarily hindered the realization of full financial benefits. One of the most significant issues was cultural mismatches between the merging banks. Each bank had its own organizational culture, and the integration process required significant efforts to align these differences. In some cases, employees from the merged banks experienced uncertainty regarding their roles, which affected morale and productivity in the short term. Additionally, redundant processes, such as overlapping departments and conflicting operational procedures, added complexity to the integration process.

In conclusion, while the post-merger integration challenges faced by Access Bank were significant, the study confirms that the overall financial performance of the bank improved in the long run. The ability to enhance profitability, improve capital adequacy and liquidity, and increase market share, while overcoming operational inefficiencies, illustrates the potential benefits of mergers and acquisitions when managed effectively. However, the study underscores the critical importance of careful planning and execution in the post-merger integration phase to fully capitalize on the anticipated synergies.

5.2 Conclusion

In conclusion, the mergers and acquisitions undertaken by Access Bank Plc, particularly with Intercontinental Bank in 2012 and Diamond Bank in 2019, have had a generally positive impact on the bank's financial performance, but these outcomes were not immediately realized due to several integration challenges. While these mergers contributed significantly to Access Bank's financial stability, improved liquidity, and expanded market share, the realization of the anticipated synergies took time. The integration process posed several hurdles, including operational inefficiencies, cultural mismatches, and the complexity of aligning various systems, which temporarily slowed the positive effects expected from the M&As.

One of the main positive outcomes of the mergers was the strengthening of Access Bank's capital base, which allowed it to improve its financial leverage, achieve higher liquidity ratios, and better withstand external economic shocks. This enhanced capital adequacy further positioned Access Bank as a more resilient player in the Nigerian banking sector, particularly as the banking industry underwent significant transformations during the consolidation period. Additionally, the bank's market share grew considerably after the merger with Diamond Bank, especially in the retail and digital banking segments. These changes allowed Access Bank to tap into new customer segments, thereby diversifying its revenue streams and enhancing profitability in the long run.

However, the realization of these benefits was not without its challenges. The integration process was complex and time-consuming, particularly with regard to the harmonization of technology platforms, integration of human resources, and alignment of corporate cultures. This phase posed operational risks that temporarily hindered the realization of synergies, leading to an increase in costs and customer dissatisfaction in the short term. Despite these challenges, Access Bank's ability to effectively manage the integration process and its continued focus on building a unified organizational culture allowed it to maintain a positive trajectory towards achieving the long-term benefits of the mergers.

Furthermore, the study emphasizes the critical importance of strategic planning and post-merger integration management in maximizing the full potential of M&As. Although Access Bank's ability to create synergies and capitalize on the expanded service offerings and competitive advantages post-merger is evident, the study highlights that the full benefits of mergers and acquisitions can only be realized with careful and effective management of the integration process.

In light of these findings, it can be concluded that while Access Bank’s mergers and acquisitions have had a generally positive impact on its financial performance, the timing and efficiency of integration play a significant role in determining the success of such corporate strategies.

Eventually, the study supports the view that M&As, when managed effectively, can lead to substantial financial benefits, including increased profitability, enhanced competitive advantage, and better access to capital markets. However, the process is fraught with challenges that require careful attention to the post-merger integration phase to ensure that the expected synergies are fully realized and the long-term goals of the merger are achieved.

5.3 Recommendations

Based on the findings of this study, the following recommendations are proposed:

i. **Enhanced Post-Merger Integration Planning**: It is essential for Access Bank to prioritize effective post-merger integration strategies. This includes aligning corporate cultures, harmonizing IT systems, and integrating human resources efficiently. Ensuring smooth transitions can minimize the initial costs associated with integration and accelerate the realization of synergies.

ii. **Focus on Operational Efficiency**: While profitability has improved, there is room for further cost optimization. Access Bank should focus on enhancing operational efficiency through automation, digital transformation, and further streamlining back-office operations. This would not only reduce operational costs but also improve customer service delivery.

iii. **Improved Customer Communication**: During the post-merger phase, customer perceptions may be affected by changes in services, policies, or brand identity. Access Bank should implement clear communication strategies to inform customers about changes, reassure them of service continuity, and encourage customer retention.

iv. **Leverage Digital Banking for Growth**: The merger with Diamond Bank, which bolstered Access Bank's digital banking capabilities, should be leveraged further to expand customer acquisition, particularly in underserved segments of the market. Increasing the bank's digital presence and offerings could drive future growth, especially in a highly competitive environment.

v. **Strengthen Regulatory Compliance**: Access Bank should continue to align its operations with regulatory requirements, particularly in light of mergers and acquisitions. Strengthening its compliance and risk management frameworks will help the bank avoid regulatory issues and foster long-term stability.

vi. **Periodic Performance Monitoring**: The bank should continue monitoring its financial performance and make necessary adjustments as it integrates its mergers. Regular evaluations and course corrections will help ensure that the expected financial benefits are realized over the long term.

5.4 Limitation to the Study

While this study provides valuable insights into the effects of mergers and acquisitions on the financial performance of Access Bank, it is not without limitations:

i. **Scope of the Study**: The study is based on Access Bank, which limits the generalizability of the findings to other banks in Nigeria or across other regions. The results may vary depending on the specific strategies, market conditions, and execution of mergers and acquisitions in other banks.

ii. **Data Availability**: The study relied on both primary data (from questionnaires) and secondary data (financial reports). However, there may have been limitations in obtaining complete and up-to-date financial records, especially related to the bank's post-merger performance.

iii. **Respondent Bias**: The questionnaires were completed by a mix of customers, employees, and shareholders. The subjective nature of the responses may introduce bias, especially when respondents' personal experiences or expectations influence their answers.

iv. **Time Constraints**: The study analyzed financial data over a relatively short period before and after the mergers. A longer time frame could have provided more conclusive insights into the long-term effects of the M&As.

v. **External Factors**: External factors such as economic conditions, regulatory changes, and competition could have impacted the financial performance of Access Bank, making it difficult to attribute all changes solely to the mergers and acquisitions.

Despite these limitations, the study contributes valuable knowledge on how mergers and acquisitions affect the financial performance of Nigerian banks, particularly Access Bank, and provides a basis for further research in this area.

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