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IMPACT OF MERGER AND ACQUISITION ON THE PERFORMANCE OF THE BANKING SECTOR IN NIGERIA: A STUDY OF ACCESS BANK PLC

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Abstract
Mergers and Acquisitions play a crucial role in the development of any economy. They are reform strategies adopted to reposition the banking sector. This research work seeks to examine the impact of mergers and acquisitions on the performance of the banking industry in Nigeria. The study used shareholders' funds, profit after tax, gross earnings, return on asset, and net profit margin to determine the performance of the banking industry before and after merger and acquisition in Nigeria with a particular interest in Access Bank Plc in the Pre- and post-consolidation era (2002- 2015). Data captured in this study were collected from published annual reports of the bank and were subsequently analyzed using regression with the aid of an Econometric view (version 9). The result showed that shareholders' funds contributed significantly to the profit after tax of the bank. The study also found out that merger and acquisition significantly impacted the gross earnings of Access Bank Plc. However, the trend of fluctuations in Return on Asset (ROA) and Net Profit Margin (NPM) was caused by the global economy meltdown and market factors after the consolidation exercise. It was equally ascertained that merger and acquisition served as effective means of ensuring stability and profitability of the banking industry. Based on the findings, the research recommends among others, that banks should improve the marketing of their financial products to increase financial efficiency and enhance its distinctiveness. The study further advocates for diversification and product innovation strategies to generate more income for the bank. High-level IT apparatus should be deployed to fashion out more customer support services to increase customer patronage.

Keywords: Merger and Acquisition

1.0 Introduction

Merger and Acquisition (MA) have contributed greatly to the world's economic growth and development. It has indirectly created stability in some industries in both developing and developed countries. A healthy and vibrant banking sector is important for a stable macroeconomic

environment, therefore, the relevance of commercial banks in a country cannot be undermined. Commercial banks act as the agents of financial intermediation within a country by transferring funds from surplus economic units to deficit economic units within an economy and facilitating the enforcement of monetary policies.

Banks play a pivotal role in accelerating the entire economy of any country, it is therefore necessary to reposition it for efficient financial performance through a reform process articulated towards forestalling bank distress. Afolabi (2004) as referenced in Adebayo and Olalekan (2012), banks mobilize and facilitate the efficient allocation of National savings, thereby increasing the quantum of investments and National output. Banks promote capital formation and economic growth through financial intermediation (Adebayo, 2012). Commercial banks in Nigeria have witnessed a lot of trauma, especially between the decades (1995 - 2005). This era became a major concern not only to the regulatory bodies Central Bank of Nigeria (CBN) and Nigerian Deposit Insurance Corporation (NDIC) etc. but to the general public and the policy analyst too. Therefore, there was a need for a drastic overhaul of the Nigerian banking industry to revive the distressed banks and restore public confidence as well as foreign investors. In light of this, the Central Bank of Nigeria initiated major reform programs that fine-toned the banking landscape of the country in 2004. The major ingredient of the 13–point reform agenda was the announcement and advocacy of N25 billion minimum capital base/requirement for Nigeria Deposit money banks not later than 31st December 2005. In a bid to eradicate the expansion bottlenecks, volatility between the deposit and lending rates including other constraints encountered by the banks, some commercial banks considered Merger and Acquisition as a survival strategy. A total of 89 banks were in operation before the reform kick-off, more than 72 percent of them were merged into 25 banks while 14 that could not beat the deadline for consolidation were liquidated.

The main aim of the study is to use a comprehensive approach in order to test directly or assess the impact of mergers and Acquisitions on the performance of the Nigerian banking industry. Other specific objectives include; evaluating the impact of pre and post-merger/Acquisition exercises on the Gross Earning of Access Bank Plc, to find out if there is a significant relationship between the increase in shareholder's fund and Profit-After Tax (PAT) before and after the Merger/Acquisition periods, to explore the impact of pre and post-Merger/Acquisition exercise on the Return on Asset and Net Profit Margin of Access Bank Plc.

2.0 Theoretical framework

Economists have promoted several competing theories of Merger and acquisition especially that of Fredrick's (1990) postulations.

2.1 Value increasing theory

According to this theory, mergers and acquisitions occur because of the synergy that will be created between the acquirer and the target company and this synergy will in turn, increase the value of the firm. There are two types of theories being created under this theory; the Operatives Synergy which is the efficiency gains achieved through economies

of scale and scope, and the allocated synergies achieved from increased market power and improved ability to extract consumer surplus (Kilian & Wilfred, 2013).

2.2 Value Decreasing Theory:

This occurs when Merger and acquisition activities fail to create value and this theory can be summed up into two divisions. First, is when the acquiring company incurs losses as a result of the constraint in getting information, while the second category occurs when the management team of the company maximizes a private utility function which at least fails to maximize the shareholder's wealth that is, not affecting the company's value positively (Kilian, 2013).

2.3 Value Creation Theory:

Value creation is the degree to which the return on investment over a period of time exceeds the cost of capital for that investment (Helene, 2009) cited in (Oloye & Osuma, 2015). Mergers will create is economic advantage if the combined present value of the merged firms is greater than the sum of their individual present values as separate entities.

2.4 Valuation Theory:

This theory posits that Mergers and acquisitions are embarked upon by managers of a company that have better information about the company to be merged or acquired than the stock market. The theory had however undergone several criticisms because if a company has privy information of another company to be acquired or merged with, the information will be revealed in the offer thereby making the stock price of the company to be acquired to rise as a result of the information.

2.5 Theory of Synergy:

In finance parlance, synergy means a financial synergy that is gained through the merging of conglomerates (Chang, 1990), while in industrial economics literature, synergy is used in the context of economies of scale that lead to cost savings (chang, 1990) as cited in (Oloye & Osuma, 2015).

2.6 Efficiency Theory:

In view of this theory, mergers and acquisitions are planned to achieve three synergies which include: Financial, Operational, and Managerial synergies. Financial synergy is achieved when the cost of capital is reduced through the fusion of two companies or by increasing the company size. Operational synergy could be achieved through the combination of operations of the merging companies and the transfer of knowledge thereby making the company offer unique products or services, while managerial synergy occurs when the acquirer has managerial expertise that is superior to the target company.

3.0 Literature review

The performance of banks before 2004 was characterized by a high rate of insolvencies, vulnerability to systemic financial crises, and macroeconomic downturns. The capital base was so low that they could not absorb losses occasioned by non-performing risk assets, keen competition, and poor management (Obideyi, 2006). Most Nigerian banks could not perform well due to operational hardship and expansion hindrances as a result of heavy fixed operating costs (Okpanachi, 2011). There were equally cases of insider abuses, loss of confidence by the customers and shareholders of the banks, and long customer waiting lines in the banking halls. It was

because of all these inadequacies that led the Central Bank of Nigeria (CBN) to direct all commercial banks to raise their capital requirement base on a minimum of N25 billion or consolidate through Mergers and Acquisitions by December 2005. Anthony (2008) observed that a number of Nigerian banks have in their pursuit of growth resorted to raising extra capital from the capital market through offerings while others have been acquiring those banks that were unable to recapitalize or could not sustain operations on their own. Consequently, it is against this background that the researcher attempts to assess the impact of Mergers and Acquisitions on the performance of the banking industry with a specific focus on First Bank Nigeria PLC. The performance parameters are determined and measured by return on equity, return on asset, earning and liquidity efficiency, capital adequacy, shareholders' funds, Profit before Tax (PBT) or Profit after Tax (PAT), and management competency.

The main purpose of carrying out Mergers and Acquisitions is to increase the shareholders' value. Most banks seeking Mergers and Acquisitions want to become leaders in the product–market area of the strategic business unit. A lot has been happening in Mergers and Acquisitions activities due to various factors. Samples of financial players were able to achieve superior performance (Copeland, 2005). Mergers and Acquisitions are becoming proverbial because they boost competition by gaining greater market share and reducing business risk (Kemal, 2011).

According to some studies, Merger and Acquisition failures are attributable to mismatches between target and acquirer companies in terms of size, diversification into unrelated industries, or cultural barriers where employees find themselves working under new work legislation, different working practices or company procedures. An in-depth study of the 25 banks that emerged after meeting the N25 billion capital bases indicates that most banks regarded as unhealthy regrouped or fused into the existing ones not necessarily to remedy inefficiency in their operating system, but just to meet the compulsory and mandatory requirements to remain afloat and continue in business. In cases where management discovers that they have the needed product or process knowledge and can easily develop distinctive competence without going through a buying process, they prefer to build internally rather than buy or acquire. Another discouraging fact about Mergers and Acquisitions is that they are much more visible to the general public and may involve stockholders

Most Mergers and Acquisitions occur as a result of gaining through expense reduction, increased market power, reduced earnings volatility, achieving economies of scale, and penetrating into new markets. Many bank employees regard Mergers and Acquisitions as a threat to their jobs because the period will record shareholders' demand for a reduction of workforce. It will equally be difficult to enforce human resource management in the environment of Mergers and Acquisitions due to the changes in the procedures and practices of the new company.

Merger and Acquisition (M&A) activities have become key strategies targeted towards increasing the profitability of commercial banks. In the study carried out by Oloye and

Osuma (2015), banking environment corporate restructuring exercises such as Mergers and Acquisitions, takeovers, amalgamation, etc. are said to have increased the capital adequacy of commercial banks. Bank failures are mostly caused by factors such as liquidity, insolvency, fraudulent practices, inadequate capital, and bad management within the banking industry. Merger and Acquisitions enhances the profitability of commercial banks. It is one of the strongest agents of change by revamping its Return on Asset (ROA) and Return on Equity (ROE).

It is however appalling that some studies on Merger and Acquisition activities in the Nigerian banking industry show mixed results. As noted by Onaolapo (2013), Atunbas and Ibanez (2004) report that mergers in the banking industry do lead on average to improved profitability, Vander (2002) reports a limited improvement in profit efficiency but not cost efficiency. Saibu (2010) concluded that operating expenses (cost of providing banking services in Nigeria is huge, in terms of energy cost, security, and technology deployment). Oloye and Osuma (2015), Olagunji and Osademi (2012), Ajala and Onaolapo (2013) report that Merger and Acquisitions has contributed greatly to the financial performance of the banking industry in Nigeria.

3.1 Empirical review

Many studies have been carried out on mergers and acquisitions. Most of these studies have examined the impacts or effects of mergers and acquisitions in several companies in a single study. For instance, Kithitu, 2012 study examined the role of mergers and acquisitions on various commercial banks in Kenya. Studies of this kind have generated mixed results; some have found that merging companies benefited from the merger whereas others found that the mergers had no positive impact on the companies' performance. The disparity in findings could be attributed to the fact that companies differ in many respects.

Oloye and Osuma (2015) in their recent study on the impacts of mergers and acquisitions on the performance of Nigerian banks using correlation and regression techniques established that mergers and acquisition is an effective means of ensuring the stability and profitability of the banking sector. It was also found that shareholder funds contributed significantly to the profit after tax of the banks, while corporate restructuring affected the capital adequacy of commercial banks positively, and synergy gains are the primary motive for bank mergers.

Olagunju and Olalekan (2012) in the comparative analysis of the bank performance in Nigeria determine that there is a significant relationship between the pre and post-merger and acquisition capital base of commercial banks and the level of productivity. Mergers and acquisitions have equally increased the capitalization of commercial banks as evidenced in the changes in the company's ownership of shares, increases in the cost of services, and changes in bank lending rates. A study by Joash and Njangiru (2015) to determine the effect of mergers and acquisitions on the financial performance of banks observed that mergers and acquisitions raised the shareholder's value of the merged/acquiring banks in Kenya. The study further revealed that the main reason why most banks merged

or were acquired was to raise their profitability. In the study, customer loyalty was characterized by trust, confidence, and admiration of the company's product.

In the study carried out by Tang (2015) on the effects of merger and acquisition on firm performance in the Philippines, financial performance significantly decreased after the merger, there was no significant change in the abnormal return on assets before and after the merger activity.

Onaolapo and Ajala (2013) used multiple regressions to study the post-merger performance of selected Nigerian deposit money banks from an econometric perspective. The study revealed that there is a strong relationship between bank performance and mergers, on average, bank consolidation resulted in improved performance. In their study conducted on the effects of merger and acquisition on the performance of selected commercial banks in Nigeria, regression analysis was used to test the hypotheses and the result showed that the post-merger and acquisition period was more financially improved than the pre-merger and acquisition period.

Badreldin and Kalhoefer (2009) studied the effects of mergers and acquisitions on bank performance in Egypt using Return on Equity (ROE). They noted that not all banks that underwent deals of merger and acquisition have shown significant improvements in performance and return on equity when compared to their performance before the deals. They however concluded that merger and acquisition have not had a clear effect on the profitability of banks in the Egyptian banking industry, rather they were only found to have minor positive effects on the credit risk position.

Anderisom and Obute (2015) conducted a study on the effects of mergers and acquisitions on the performance of commercial banks in Nigeria. Using a paired sample t-test, the results showed that merger and acquisition had a positive, significant effect on the performance of commercial banks in Nigeria. Nelson (2013) concluded that it is impossible to clearly state whether mergers and acquisitions in the Nigerian banking industry led to improved efficiency. This is because merger and acquisition in the Nigerian banking sector is a continuous scheme.

In a related study, of the Chilean banking industry, Kwan (2002) found that the high spectrum of economic activities experienced in Chile was mainly from improved productivity of the large banks formed as a result of mergers and acquisitions as stated in the work of Okpanachi (2011). Consequently, all the literature available on this subject is conflicting and too general. Therefore, it is difficult to make concrete conclusions on the basis of the existing literature. So there is a need for studies to be conducted on particular banks and the findings could be generalized to other banks with comparable features. Hander, et al (2015) examined the impact of mergers on bank performance in Pakistan and observed that merger has an insignificant input on bank performance.

Most studies on bank consolidation used a rather narrow approach. For instance, Okpanachi (2011) attempted to relate merger and acquisition to performance. The study however restricted the performance of the

banks to financial performance. In the same vein, Adegbaju and Olokoyo (2008) adopted only profitability ratios to assess the performance of the banks. This study bridges the missing gap by examining the impact of mergers and acquisitions on the performance of the banking industry on a wider spectrum.

Salami (2015) studied the impact of mergers and acquisitions on the performance of the banking industry in Ghana and noticed that there was a lack of evidence of cost reduction and operational efficiency. In the study conducted by Appah and John (2011) on merger and acquisition in the Nigerian Banking Industry; an explorative investigation, the findings revealed that merger and acquisition activities of liquidity, capital adequacy, and corporate governance culminated in more troubled banks after the consolidation exercise.

4.0 Methodology

The data captured for this study were analyzed using both descriptive and analytical tools. Descriptive statistics was employed to describe the effectiveness of merger and acquisition on the performance of the bank using tables and percentages to measure the gross earnings, return on assets, profit after–tax, and the net profit margin. For the data analysis, a time series was used and the statistical instrument used is the Econometric view (E-view) version 9. The Ordinary Least Squares (OLS) regression technique was used.

4.1 Model specification

In this research, both the independent and dependent variables fit into an equation called a regression equation in which the data express the relationship between variables. Simple linear regression was used to analyze the stated data

Equation 1

PRMA = F (GE, PAT, SF, ROA, NPM)

$PRMA_t = bo + b_1GE_t + b_2\ PAT_t + b_3\ SF_t + b_4ROA_t + b_5NPM_t + U_t$ -

Equation II

POMA = F (GE, PAT, SF, ROA, NPM)

$POMA_t = bo + b_1GE_t + b_2PAT_t + b_3\ SF_t + b_4ROA_t + b_5NPM_t + U_t$

-

Where;

PRMA = Pre-merger/acquisition

POMA = post-merger/acquisition

GE = Gross earnings

PAT = Profit after tax

SF = Shareholders fund

ROA = Return on assets

NPM = Net profit margin

Bo = Constant term

$b_1 – b_4$ = Parameters to be estimated

U_t = stochastic error term or white noise

5.0 Discussion of results

The study extracted the profit after tax, shareholder's fund, gross earnings, return on asset, and net profit margin from the published annual reports and accounts of Access Bank Plc.

The above regression results are discussed based on three criteria viz: the economic (a priori) criteria, the statistical criteria, and the econometric criteria. Each of the three criteria has distinct information about the result of the study.

5.1 Economic (A Priori) Criteria

The estimated regression line has a positive intercept, represented by the constant term (**appendix 1**). This means that pre-merger/acquisition (PRMA) parameters will increase by 20426223 percent holding all other variables constant. The estimated regression model indicates a direct and positive relationship between Gross earnings (GE), Profit after tax (PAT), Shareholders fund (SF) Return on assets (ROA), and the pre-merger/acquisition. The result conforms to the relevant economic theory and a priori expectations. This means that a unit change in these explanatory variables will bring about an increase in pre-merger/acquisition (PRMA) parameters by 0.842542, 1.343246 1.095228, and 647401.4 percent respectively. However, the result shows that the net profit margin (NPM) was negative during the pre-merger/acquisition era. This result negates the relevant theory. This means that a unit increase in net profit margin will bring about a decrease of 720708.4 percent in the pre-merger/acquisition, holding all other variables constant.

In Appendix 2, the estimated regression line equally has a positive intercept. This means that the financial efficiency of the bank during the post-merger/acquisition era increased by 1047921 percent holding all other variables constant. The estimated regression model indicates a direct and positive relationship between Gross earnings (GE), Profit after tax (PAT), Shareholders fund (SF) Return on (ROA) assets, net profit margin (NPM), and the post-merger/acquisition era. The result conforms to the relevant theory and a priori expectations. This means that a unit change in these explanatory variables will bring about an increase in post-merger/acquisition (PRMA) parameters by 0.886803,1.265218, 1.054576, 564363.1, and r536810.7 percent respectively.

5.2 Statistical criteria (First Order Test)

The result (appendix 1) suggests a high degree of relationship between the regressand-pre-merger/acquisition (PRMA) and the regressors- Gross earnings (GE), Profit after tax (PAT), Shareholders fund (SF) Return on (ROA) assets and net profit margin (NPM). This is so because the adjusted R-squared in the model is 0.77995 indicating a 77.9 percent relationship between the regressand and the regressors. The remaining 22.1 percent variations in the model are explained by other factors not included in the model.

With the F-Ratio of 10518.95 percent, the model is statistically significant. This is because the calculated F-Ratio at 5 percent level of significance, that is, 10518.95>5.63 (critical value).

On the t-test of the parameter estimates, all the variables were statistically significant as presented in Appendix 1. This is because their calculated t-values fall in the critical region at both 5 percent levels of significance

(19.76512, 8.388059, 85.01074 & 13.18728> 3.75) respectively. In Appendix 2, the regression results equally suggest a high degree of relationship between the regressand-post-merger/acquisition (PRMA) and the regressors- Gross earnings (GE), Profit after tax (PAT), Shareholders fund (SF) Return on (ROA) assets and net profit margin (NPM). This is so because the adjusted R-squared in the model is 0.999981 indicating a 99.9 percent relationship between the regressand and the regressors. The remaining 0.1 percent variations in the model are explained by other factors not included in the model.

With the F-Ratio of 135842.1 percent, the overall model is statistically significant. This is because the calculated F-Ratio is at a 5 percent level of significance, that is, 135842.1>4.51 (critical value).

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5.3 Econometric Criteria (Second Order Test)

The Durbin-Watson statistic is used here to test for the absence of autocorrelation in the model. The DW statistic of 2.001288 (appendix 2) and 2.474265 (appendix 3) falls in the no autocorrelation region and hence we can conspicuously ascertain that autocorrelation do not exist.

Conclusively, it can be ascertained as predicated on the regression results that Return on Assets (ROA) fluctuates after the mergers which is attributed to the global economy meltdown. This trend is an indication that the exercise had not improved the bank's performance in terms of management competence between the pre and post-reforms. The bank's profit after tax increased marginally between the pre-reform and post-reform era as indicated in the regression results. Over the large period, the gross earnings increased steadily as indicated in the results with much impact on the post-reform era than the pre-reform period. In view of this magnificent increase, merger and acquisition exercise had improved the performance of the bank in terms of earnings efficiency. The Net Profit Margin (NPM) plummeted over the period with negative value from the regression results, an indication that the owners' resources were not well utilized before the merger and acquisition exercise.

6.0 Conclusion and recommendations

Attempts have been made in the study to assess the impacts of mergers and acquisitions on the performance of the banking industry. The findings have implications for the overall performance of the banking industry. According to the study, one of the reasons why banks merge and/or acquire others is to enlarge market share and increase their profitability.

Mergers and acquisitions expand the capital base of the bank thereby enabling the banks to access more resources especially credit facilities that ensure the business is liquid throughout the year. This enhances the stability and effectiveness of operations, increases customer satisfaction, and strengthens investor's confidence. This study also established that mergers and acquisitions

raised the customer's trust, confidence, and admiration of the company's product.

From the study carried out, it is established that mergers and acquisitions increased shareholder's funds and gross earnings of banks including profit after tax. The initiation of mergers and acquisitions has brought about changes in ownership structure. It has equally solved the problem of illiquidity characterized by banks trading with customer's deposits. The study revealed that one of the problems of mergers is the shrinkage in the industry from 89 to 24 banks; Nigeria now has mega banks with huge capital to invest. However, it is not the size and huge capital that make a healthy bank; rather it is about effective and efficient management of the bank's available resources.

- Banks should improve the marketing of their financial products to increase financial efficiency and consolidate their financial positions.
- The bank management should look inward by adopting diversification and product innovation strategies to generate more income for the banks.
- Banks should adopt manpower training and retraining programs for management staff to boost management efficiency.
- Available high-level IT apparatus should be deployed to fashion out more customer support services in order to boost customer patronage.
- Intensive and extensive feasibility studies should be carried out before the merging and acquiring process is undertaken.

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Appendixes

Appendix 1: E-views Statistical Result of Access Bank Plc

Dependent Variable: PRMA

Method: Least Squares

Date: 06/14/24 Time: 11:14

Sample(adjusted): 2002 2005

Included observations: 4 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2042622.	774353.9	2.637840	0.1187
GE	0.842542	0.042628	19.76512	0.0025
PAT	1.343246	0.160138	8.388059	0.0139
SF	1.095228	0.012883	85.01074	0.0001
ROA	647401.4	49092.88	13.18728	0.0057
NPM	-720708.4	87602.51	-8.227029	0.0145

R-squared	0.779995	Mean dependent var	1.43E+08
Adjusted R-squared	0.779979	S.D. dependent var	1.34E+08
S.E. of regression	612793.4	Akaike info criterion	29.54092
Sum squared residual	7.51E+11	Schwarz criterion	29.69432
Log likelihood	-125.9341	F-statistic	10518.95
Durbin-Watson stat	2.001288	Prob(F-statistic)	0.000016

Source: Author's Computation using EViews

Appendix 2: EViews Statistical Results of Access Bank Plc

Dependent Variable: POMA

Method: Least Squares

Date: 06/14/24 Time: 10:54

Sample: 2006 2015

Included observations: 10

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1047921.	755525.8	1.387009	0.2029
GE	0.886803	0.034232	25.90595	0.0000
PAT	1.265218	0.143361	8.825405	0.0000
SF	1.054576	0.015019	70.21599	0.0000
ROA	564363.1	74023.53	7.624104	0.0001
NPM	536810.7	108710.8	4.937972	0.0011

R-squared	0.999988	Mean dependent var	2.56E+08
Adjusted R-squared	0.999981	S.D. dependent var	2.45E+08
S.E. of regression	1072526.	Akaike info criterion	30.90646
Sum squared residual	9.20E+12	Schwarz criterion	31.18034
Log likelihood	-210.3452	F-statistic	135842.1
Durbin-Watson stat	2.474265	Prob (F-statistic)	0.000000

Presentation of Regression Results

The results of the regression estimates are presented below:

Appendix 3: Regression Results of pre-merger/acquisition

Dependent Variable: PRMA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2042622.	774353.9	2.637840	0.1187
GE	0.842542	0.042628	19.76512	0.0025
PAT	1.343246	0.160138	8.388059	0.0139
SF	1.095228	0.012883	85.01074	0.0001
ROA	647401.4	49092.88	13.18728	0.0057
NPM	-720708.4	87602.51	-8.227029	0.0145
R^2	0.779995			
Adjusted R^2	0.779979			
F-Statistic	10518.95			
Durbin-Watson	2.001288			

Appendix 4: Regression Results of post-merger/acquisition

Dependent Variable: POMA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1047921.	755525.8	1.387009	0.2029
GE	0.886803	0.034232	25.90595	0.0000
PAT	1.265218	0.143361	8.825405	0.0000
SF	1.054576	0.015019	70.21599	0.0000
ROA	564363.1	74023.53	7.624104	0.0001
NPM	536810.7	108710.8	4.937972	0.0011

R^2	0.999988			
Adjusted R^2	0.999981			
F-Statistic	135842.1			
Durbin-Watson	2.474265			

Source: Author's Computation using Eviews 9