EFFECTS OF BANK MERGERS AND ACQUISITIONS ON SMALL BUSINESS LENDING IN NIGERIA.

ABSTRACT

Merger and Acquisition (M &A) is one of the instruments of the recent banking reforms in Nigeria. One of the implications of the reform is its effect on the lending to small businesses, which was divided into static and dynamic effect (restructuring, direct and external) in this study. Data were collected by cross sectional survey research design and were subsequently analyzed by the ordinary least square method. The analyses show that banksize, financial characteristics and deposit of non-merged banks are positively related to small business lending, while for merged banks the reverse is the case. From the above result, it is evident that M&A have not only static effect on small business lending but also dynamic effect, therefore, given the central position of small businesses in the current government policy on industrialization of Nigeria, policy makers in Nigeria should consider both the static and dynamic effects of M&A on small business lending in their policy thrust.

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Keywords: Bank Lending, small businesses, mergers and acquisition

THE ROLE OF BANKS IN THE ENTREPRENEURIAL DEVELOPMENT OF NIGERIA: AN EMPIRICAL INVESTIGATION

ABSTRACT

This paper examines the role of banks in the development of entrepreneurship in Nigeria. Entrepreneurs expect banks to provide them with financial and other necessary assistance in order to promote and support their enterprises. The study reviewed the roles of banks in entrepreneurial development of Nigeria and disentangles the factors responsible for the negligence of banks in the performance of their roles of enhancing entrepreneurial development in Nigeria. The highlights of the findings are that: the assistance rendered by banks is not entirely to the satisfaction of entrepreneurs; no supportive input like training is made available by banks; there is the existence of a huge Non-Performing Assets (NPAs) resulting from lack of requisite knowledge and skills of entrepreneurs; if promoted, entrepreneurship will lead to flourishing businesses that would positively contribute to the Nigerian economy. Based on the above