

Merger in Banking Industry in India: Case Study on Merger between Oriental Bank of Commerce and Global Trust Bank

Abstract

Merger is a combination of two or more companies into one company. In banking industry when two or more banks pool their resources together then merger took place. In Oriental Bank Of Commerce liquidity, profitability and efficiency position increases in post merger period than pre-merger period, and overall performance had improved significantly.

Keywords: Merger, Acquisition, Spread, Transferor Bank and Transferee Bank

Introduction

Merger is a combination of two or more companies into one company. In India, mergers are called as amalgamations, in legal terms. The acquiring company, (also referred to as the amalgamated company or the merged company) acquires the assets and liabilities of the target company (or amalgamating company). Typically, shareholders of the amalgamating company get shares of the amalgamating company in exchange for their existing shares in the target company. Merger may involve absorption or consolidation. Why had we selected the study of Impact of Merger and Acquisition on the performances of some selected banks in India? Merger is not a new thing in banking industry, particularly in post nationalization period in India. There were so many merging cases between the public sector with private sector or one private bank with another private bank or one public sector bank with another public sector bank to achieve some objectives like enhance the capital strength, to penetrate the market, to achieve synergetic effect, to take tax saving benefit etc. But our main objectives is to study the impact of Narasimham committee's recommendation on merger in banking industry in the performances of the merged banks Further we want to compare the selected merged bank performances between pre and post merger period to identify the better and poor performance reasons.

Reasons for Merger

1. Merger of Weak Banks

Practice of merger of weak banks with strong banks was going on in order to provide stability to weak banks but Narasimham Committee opposed this practice. Mergers can diversify risk management.

2. Increase In Market Competition

Innovation of new financial products and consolidation of regional financial system are the reasons for merger.

3. Markets developed and became more competitive and because of this market share of all individual firm reduced so mergers and acquisition started.

4. Capability of generating economies of scale when firms are merged.

5. Transfer of skill takes place between two organization takes placed which helps them to improve and become more competitive.

6. Globalization of economy impact bank mergers.

7. New Services and Products

Introduction of e- banking and some financial instruments / derivatives.

8. Technology

Removal of entry barrier opened the gate for new banks with high technology and old banks can't compete with them so they decide to merge.



Sangita Ghosh
Research Scholar,
Deptt.of Commerce,
Vidyasagar University,
West Bengal

9. Positive Synergies

When to firms merge their sole motive are to create a positive effect which is higher than the combined effect of two individual firms working alone. Two aspects of it are cost synergy and revenue synergy.

Cost synergy is the savings in operating costs expected after two companies that complement each other's strengths join. Revenue synergy is refers to the opportunity of a combined corporate entity to generate more revenue than its two predecessors stand-alone companies would be able to generate.

Aim of the Study

The main objective of the study is to compare the post merger period performances of the transferee bank i.e. Oriental Bank of Commerce with the pre-merger period performances and to examine whether performances of transferee bank has improved or not due to merger.

Data Base of the Study

The basic data that are required for the assessment of both transferor and transferee banks performance like deposits, loans, income, expenditure, spread, etc. are collected. We have collected officially published yearly data on financial condition of the banks for 1994-95 to 2013-2014. We have also collected data for total foodgrains, total nonfoodgrains and all crops combined of the state in the form of index numbers, as published officially, and consumer price index for both agricultural and industrial labourers. For the states these indices have been expressed in terms of 1960-61 base year. We had considered merger between Global Trust Bank and Oriental Bank of Commerce. Methods for Measurement of Different Performance Parameters: we have fitted two trend equations, namely exponential ($\log y_t = a + bt$) and log quadratic ($\log y_t = a + bt + ct^2$). The estimated value of trend parameter b gives the growth rate as logarithms are considered at natural base. In trend fitting we have also checked autocorrelation problem, which are likely to occur in time series analysis, using DW statistic. When there is no autocorrelation problem ($DW > du$) or the autocorrelation test is inconclusive ($dl < DW$)

Merger between Global Trust Bank and Oriental Bank of Commerce

The Government of India had sanctioned the scheme for amalgamation of the Global Trust Bank Ltd. with the Oriental Bank of Commerce. The amalgamation will come into force on August 14, 2004. All the branches of Global Trust Bank Ltd. will function as branches of Oriental Bank of Commerce with effect from this date.

Now in this section we are assessing the performances of both the transferor bank (GTB) and transferee bank's (OBC) performances from economic point of view.

Deposit Analysis

From the estimated values of parameters presented in Table 4.1, it is found that the nominal amount of total deposit of GTB had increased at an annual rate of 55.9% during the period 1996-2005 and this growth rate was significant at 1% probability level. During the same period growth rate of nominal amount of total deposit of OBC bank (transferee bank) was 19.80% and this growth rate also significant at

1% probability level. It is also found that the growth rate of total deposit of both the transferor and transferee banks had been increasing at diminishing rates. This implies a discouraging trend in the inter temporal growth of total deposit.

A sub-period trend analysis of growth rates of the total deposit amount of the transferee bank i.e. OBC shows that in the pre-merger period of 1996 to 2005 the annual growth rate of total deposit was significantly higher (18.1%) than that (16.9%) during the post-merger period of 2006 to 2014 (Table-4.19). The trend breaks between the growth rates of total deposit in the pre and post- merger period was negative and statistically significant at 1% probability level. This result signifies that during the post-merger period there had been significant fall in the nominal amount of total deposit.

To separate out the influence of inflation on the growth rate of deposit amount necessary adjustment in the nominal values of the deposit amount had been done by deflating the nominal values by the wholesale price index as then the chosen trend lines had been fitted. From the estimated parameters presented in Table-4.2, it is found that real amount of total deposit of GTB had grown at the annual rate of 53.4% and at the time of 1995 to 2014 the annual growth rate of real amount of total deposit of OBC bank was 17.1%. The growth rates of real amount of total deposit of both the transferor and transferee banks are significant at 1% probability level.

The results of estimated trend growth for two sub-periods are presented in Table- 4.20. From the level of significance of the trend break for real amount of total deposits of OBC bank, it reveals that during post-merger period (2006-2014) growth rate was lower than those in the pre-merger period (1996-2005). A close look at Tables 4.19 and 4.20 shows that while the nominal amount of total deposit of OBC increased at an annual rate of 18.1% during the pre-merger period, the real amount of total deposits increased at an annual rate of 15.6% during the same period (1996-2005). Similarly in post financial reform period (2008-2014), while the nominal amount of total deposit of OBC bank was increased at an annual rate of 16.9%, the real amount of total deposits increased at an annual rate of 14.5%. The important thing that in post merger period annual rate of growth of total deposit was lower than that in Pre-merger period.

Advance Analysis

From the estimated values of parameters presented in Table 4.3, it is found that the nominal amount of total advances of GTB had increased at an annual rate of 46.5% during the period 1996-2005 and this growth rate was significant at 1% probability level. During the same period growth rate of nominal amount of total advances of OBC bank (transferee bank) was 21.6% and this growth rate also significant at 1% probability level. It is also found that the growth rate of total advances of both the transferor and transferee banks had been increasing at diminishing rates. This implies a discouraging trend in the inter temporal growth of total advances.

A sub-period trend analysis of growth rates of the total advances amount of the transferee bank i.e. OBC shows that in the pre-merger period of 1996

to 2005 the annual growth rate of total advances was significantly higher (20.7%) than that (20.3%) during the post-merger period of 2006 to 2014 (Table-4.21). The trend breaks between the growth rates of total advances in the pre and post- merger period was negative and statistically significant at 1% probability level. This result signifies that during the post-merger period there had been significant fall in the nominal amount of total advances.

To separate out the influence of inflation on the growth rate of advances amount necessary adjustment in the nominal values of the advances amount had been done by deflating the nominal values by the wholesale price index as then the chosen trend lines had been fitted. From the estimated parameters presented in Table 4.4, it is found that real amount of total advances of GTB had grown at the annual rate of 44.1% and at the time of 1995 to 2014 the annual growth rate of real amount of total advances of OBC bank was 18.9%. The growth rates of real amount of total advances of both the transferor and transferee banks were significant at 1% probability level.

The results of estimated trend growth for two sub-periods are presented in Table 4.22. From the level of significance of the trend break for real amount of total advances of OBC bank, it reveals that during post-merger period (2006-2014) growth rate was lower than those in the pre-merger period (1996-2005). A close look at Tables 4.21 and 4.22 shows that while the nominal amount of total advances of OBC increased at an annual rate of 20.7% during the pre-merger period, the real amount of total advances increased at an annual rate of 18.2% during the same period (1996-2005). Similarly in post financial reform period (2006-2014), while the nominal amount of total advances of HDFC bank was increased at an annual rate of 20.3%, the real amount of total advances increased at an annual rate of 17.9%. The important thing that in post merger period annual rate of growth of total advances was lower than that in Pre-merger period.

Total Income

From the estimated values of parameters presented in Table 4.13, it is found that the nominal amount of Total Income of GTB had increased at an annual rate of 48.7% during the period 1996-2005 and this growth rate was significant at 5% probability level. During the same period growth rate of nominal amount of Total Income of OBC bank (transferee bank) was 13.9% and this growth rate also significant at 1% probability level. It is also found that the growth rate of Total Income of both the transferor and transferee banks had been increasing at diminishing rates. This implies a discouraging trend in the inter temporal growth of Total Income.

A sub-period trend analysis of growth rates of the Total Income amount of the transferee bank i.e. OBC shows that in the pre-merger period of 1995 to 2005 the annual growth rate of Total Income was significantly lower (14.2%) than that (17.5%) during the post-merger period of 2006 to 2014 (Table-4.31). The trend break between the growth rates of Total Income in the pre and post- merger period is positive and statistically significant at 1% probability level. This result signifies that during the post-merger period

there had been significant increase in the nominal amount of Total Income.

To separate out the influence of inflation on the growth rate of Total Income amount necessary adjustment in the nominal values of the Total Income amount had been done by deflating the nominal values by the wholesale price index as then the chosen trend lines had been fitted. From the estimated parameters presented in Table -4.14, it is found that real amount of Total Income of GTB had grown at the annual rate of 9.0% and at the time of 1995 to 2014 the annual growth rate of real amount of Total Income of OBC bank was 11.2%. The growth rates of real amount of Total Income of the transferor bank was significant at 10% probability level and transferee bank was significant at 1% probability level.

The results of estimated trend growth for two sub-periods are presented in Table -4.32. From the level of significance of the trend break for real amount of Total Income of OBC bank, it reveals that during post-merger period (2006-2014) growth rate was upper than those in the pre-merger period (1996-2005). A close look at Tables 4.31 and 4.32 shows that while the nominal amount of Total Income of OBC increased at an annual rate of 14.2% during the pre-merger period, the real amount of Total Income increased at an annual rate of 11.7% during the same period (1997-2005). Similarly in post financial reform period (2008-2014), while the nominal amount of Total Income of OBC bank was increased at an annual rate of 17.5%, the real amount of Total Income increased at an annual rate of 15.2%. The important thing that in post merger period annual rate of growth of Total Income was upper than that in Pre-merger period.

Total Expenses

From the estimated values of parameters presented in Table -4.15, it is found that the nominal amount of *Total Expenses* of GTB had increased at an annual rate of 34.7% during the period 1996-2005 and this growth rate was significant at 5% probability level. During the same period the growth rate of nominal amount of *Total Expenses* of OBC bank (transferee bank) was 13.7% and this growth rate also significant at 1% probability level. It is also found that the growth rate of *Total Expenses* of both the transferor and transferee banks had been increasing at diminishing rates. This implies a discouraging trend in the inter temporal growth of total expense.

A sub-period trend analysis of growth rates of the *Total Expenses* amount of the transferee bank i.e. OBC shows that in the pre-merger period of 1996 to 2005 the annual growth rate of *Total Expenses* was significantly lower (14.2%) than that (18.4%) during the post-merger period of 2006 to 2014 (Table-4.33).

The trend break between the growth rates of *Total Expenses* in the pre and post- merger period was positive and statistically significant at 1% probability level. This result signifies that during the post-merger period there had been significant increase in the nominal amount of Interest expense.

To separate out the influence of inflation on the growth rate of *Total Expenses* amount necessary adjustment in the nominal values of the *Total Expenses* amount had been done by deflating the nominal values by the wholesale price index as then the chosen trend lines had been fitted. From the

estimated parameters presented in Table 4.16, it is found that real amount of *Total Expenses* of GTB had grown at the annual rate of 17.8% and at the time of 1996 to 2014 the annual growth rate of real amount of *Total Expenses* of OBC bank was 11.1%. The growth rates of real amount of *Total Expenses* of both the transferor and transferee banks were significant at 1% probability level.

The results of estimated trend growth for two sub-periods are presented in Table 4.34. From the level of significance of the trend break for real amount of *Total Expenses* of OBC bank, it reveals that during post-merger period (2006-2014) growth rate was higher than those in the pre-merger period (1996-2005). A close look at Tables 4.33 and 4.34 shows that while the nominal amount of *Total Expenses* of OBC increased at an annual rate of 14.2% during the pre-merger period, the real amount of *Total Expenses* increased at an annual rate of 11.7% during the same period (1996-2005). Similarly in post financial reform period (2006-2014), while the nominal amount of *Total Expenses* of OBC bank was increased at an annual rate of 18.4%, the real amount of *Total Expenses* increased at an annual rate of 16.0%. The important thing that in post merger period annual rate of growth of *Total Expenses* was higher than that in Pre-merger period.

Productivity Analysis

From the estimated values of parameters presented in Table- 4.37 and 4.41, it is found that the nominal amount of Employees Productivity and Branch Productivity of Global Trust Bank had increased at an annual rate of 21.7% and 8.7% respectively during the period 1996-2005 and this growth rates were significant at 1% probability level. During the same period growth rates of nominal amount of Employees Productivity of Oriental Bank of Commerce (transferee bank) were 14.9% and this growth rate was also significant at 1% probability level.

A sub-period trend analysis of growth rates of the Employees Productivity of the transferee bank i.e. OBC shows that in the post-merger period of 2006-2014 the annual growth rate of Employees Productivity was significantly higher (42.1%) than that (11.7%) during the pre-merger period of 1996-2005 (Table-4.39). The trend breaks between the growth rates of both Employees Productivity and Branch Productivity in the pre and post- merger period were positive and statistically significant at 1% probability level. This result signifies that during the post-merger period there had been significant increase in the nominal amount of Employees Productivity.

To separate out the influence of inflation on the growth rate of Employees Productivity and Branch Productivity necessary adjustment in the nominal values of the Employees Productivity and Branch Productivity amount had been done by deflating the nominal values by the wholesale price index as then the chosen trend lines had been fitted. From the estimated parameters presented in Table-4.38 and 4.42, it is found that real amount of Employees Productivity of GTB had grown at the annual rate of 14.5% during 1996-2005; at the time of 1996 to 2014 the annual growth rate of real amount of Employees Productivity of OBC were 10.9%. The growth rates of

real amount of Employees Productivity of both the transferor and transferee banks were significant at 1% probability level.

The results of estimated trend growth for two sub-periods are presented in Table -4.40 and 4.44. From the level of significance of the trend break for real amount of Employees Productivity of OBC bank, it reveals that during post-merger period (2006-2014) growth rate were higher than those in the pre-merger period (1996-2005). A close look at Tables-4.39 and 4.40 shows that while the nominal amount of Employees Productivity of OBC increased at an annual rate of 11.7% during the pre-merger period, the real amount of Employees Productivity increased at an annual rate of 8.7% during the same period (1996-2005). Similarly in post financial reform period (2006-2014), while the nominal amount of Employees Productivity of OBC bank was increased at an annual rate of 42.1%, the real amount of Employees Productivity increased at an annual rate of 36.5% (See Table-4.39 and 4.40). The important thing that in post merger period annual rate of growth of Employees Productivity was higher than that in Pre-merger period. In post financial reform period (2006-2014),

Table- 1
Estimated Growth Rate of Nominal Amount of Deposit of All the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth Rate (B)%	Acceleration/Deceleration
Global Trust Bank	.942* (.109)	.504	55.9* (.098)	-04.6** (.012)
Oriental Bank of Commerce	.994* (.0768)	.985	19.8* (.014)	-.000114a (.001)

Notes: ** implies significant at 1% probability level; *** implies significant at 5% probability level, and **** implies significant at 10% probability level; Figures in the parentheses under R² columns indicate observed value of F statistic; all other figures within the parenthesis are standard error. All the values of DW statistic indicate the absence of autocorrelation problem in the disturbance term. Acceleration / Deceleration in growth rate is represented by the estimated co-efficient 'C' of the log-quadratic trend. $Y_t = a + bt + ct^2 + u_t$. Growth rates are represented in the form of percentage per annum.

Table-2
Estimated Growth Rate of Real Amount of Deposit of All the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.934* (.105)	.465	53.4* (.093)	-04.6** (.011)
Oriental Bank of Commerce	.992* (.0771)	.008	17.1* (.014)	-.000103a (.001)

Notes: See Notes of Table- 4.1

Table-3
Estimated Growth Rate of Nominal Amount of Advance of All the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.822* (.159)	.737	46.5** (.142)	-03.9*** (.017)
Oriental Bank of Commerce	.994* (.0914)	.618	21.6* (.016)	-.0000535a (.001)

Notes: See Notes of Table- 4.1

Table- 4
Estimated Growth Rate of Real Amount of Advance of All the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.787* (.154)	.715	44.1** (.137)	-03.94*** (.017)
Oriental Bank of Commerce	.993* (.0851)	.670	18.9* (.015)	-.0000424a (.001)

Notes: See Notes of Table- 4.1

Table- 5
Estimated Growth Rate of Nominal Amount of Total Income of all the Selected Banks During the Period of 1995-2014

Parameters	Adj.R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.829* (.1329)	.553	48.7** (.118)	-07** (.014)
Oriental Bank of Commerce	.983* (.1165)	.526	13.9* (.021)	-.0001013a (.001)

Notes: See Notes of Table- 1

Table- 6
Estimated Growth Rate of Real Amount of total Income of all the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.377*** (.222)	.989	9.0*** (.042)	-
Oriental Bank of Commerce	.976* (.118)	.480	11.2* (.021)	-.000112a (.001)

Notes: See Notes of Table- 1

Table- 7
Estimated Growth Rate of Nominal Amount of Total Expenses of all the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.937* (.114)	.757	37** (.101)	-01.8a (.012)
Oriental Bank of Commerce	.977* (.1400)	.546	13.7* (.025)	-.0001263a (.001)

Notes: See Notes of Table- 1

Table- 8
Estimated Growth Rate of Real Amount of Total Expenses of all the Selected Banks During the Period of 1995-2014

Parameters	Adj. R-2	Dw	Growth rate (B)%	Acceleration/Deceleration
Global Trust Bank	.906* (.123)	.745	17.8* (.023)	-
Oriental Bank of Commerce	.968* (.1405)	.513	11.1* (.025)	.000137a (.001)

Notes: See Notes of Table- 1

Table 9
Estimated Sub Period Growth Rate of Nominal Amount of Deposit of all Transferee Banks During the Period of 1995-2014

Parameters	Adj. R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.993* (.0814)	.907	18.1* (.008) (1996-2005)	16.9* (.008) (2006-2014)	-1.2* (0)

Note

Sub-periods' growth rates are estimated by fitting Kinked exponential trend (shifting origin to the break point i.e., the joining point of two sub-periods): $\ln Y_t = a + b_1 t D_1 + b_2 t D_2$ (where dummy variable $D_j = 1$

for j th sub-period and = 0 for the other sub-period; $j = 1, 2$). Trend equation is estimated by fitting trend equation $\ln Y_t = a + bt + LtD_2$. Others are same as those mentioned in Table 1.

Table 10
Estimated Sub Period Growth Rate of Real Amount of Deposit of all Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.991* (.0811)	.938	15.6* (.008) (1996-2005)	15* (.008) (2006-2014)	-1.1* (0)

Notes: See Notes of Table- 9

Table 11
Estimated Sub Period Growth Rate of Nominal Amount of Advance
of All Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.994* (.0925)	.612	20.7* (.009) (1996-2005)	20.3* (.009) (2006-2014)	-0.4* (0)

Notes: See Notes of Table- 9

Table 12
Estimated Sub Period Growth Rate of Real Amount of Advance
of all Transferee Banks During the Period of 1995-2014

Parameters	Adj. R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.993* (.0859)	.664	18.2* (.008) (1996-2005)	17.9* (.008) (2006-2014)	-0.3* (0)

Notes: See Notes of Table- 19

Table- 13
Estimated Sub Period Growth Rate of Nominal Amount of Total Income
of all Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.985* (.1093)	.542	12* (.010) (1996-2005)	17.5* (.010) (2006-2014)	3.3* (.011)

Notes: See Notes of Table- 9

Table -14
Estimated Sub Period Growth Rate of Real Amount of Total Income
of all Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.979* (.1108)	.496	11.7* (.010)	15.2* (.010)	3.5* (0)

Notes: See Notes of Table- 9

Table-15
Estimated Sub period Growth Rate of Nominal Amount of Total Expenses
of all Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.980* (.1303)	.559	12* (.012) (1996-2005)	18.4* (.012) (2006-2014)	2* (.01)

Table 16
Estimated Sub Period Growth Rate of Real Amount of Total Expenses
of all Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.871 (.039)	.768	11.7 (.04)	18.4 (.021)	6.7* (.04)

Notes: See Notes of Table- 9

Table- 17
Estimated Growth Rate of Nominal Amount of Employees Productivity of all
The Selected Banks During The Period of 1995-2014

Parameters	Adj.R-2	Dw ⁺	Growth rate (B)%	Acceleration/ Deceleration
Global Trust Bank	.453** (.545)	.954	21.7* (.461)	25.2** (.103)
Oriental Bank of Commerce	.964* (.128)	.771	19** (.522)	-

Notes: See Notes of Table- 9

Table- 18
Estimated Growth Rate of Real Amount of Employees Productivity of all the Selected Banks During the Period of 1995-2014

Parameters	Adj.R-2	Dw ⁺	Growth rate(B)%	Acceleration/Deceleration
Global Trust Bank	.453** (.545)	.954	15* (.461)	5.2** (.103)
Oriental Bank of Commerce	.964* (.128)	.771	10.9** (.522)	-

Notes: See Notes of Table- 9

Table -19
Estimated Sub Period Growth Rate of Nominal Amount of Employees Productivity of all Transferee Banks During the Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.904 (.258)	.785	11.7 (.061)	42.1 (.042)	30.4 (.021)

Notes: See Notes of Table- 9

Table-20
Estimated Sub Period Growth Rate of Real Amount of Employees Productivity of all Transferee Banks During The Period of 1995-2014

Parameters	Adj.R ²	Dw ⁺	Growth rate(β)%		Trend Break (L)
			Pre-Merger	Post-Merger	
Oriental Bank of Commerce	.904* (.258)	.785	8.7* (.061)	36.5* (.042)	27.8* (.021)

Notes: See Notes of Table- 9

Conclusion

From the discussion in this study on the performance assessment of Global Trust Bank (transferor bank) and Oriental Bank of Commerce (transferee bank) during pre and post merger period from economist point of view the following points were came out

1. Growth rates of total Deposit of transferor bank was higher than transferee bank; transferee bank's pre-merger period growth rates were higher than post merger period
2. Growth rates of total Advances of transferee bank was higher than respective transferor bank
3. Growth rates of total Total Income of all transferee bank was higher than transferor bank; the transferee banks post-merger period growth rate was higher than pre merger period
4. Growth rates of Total Expenses of transferor bank was higher than transferee bank; the transferee banks pre-merger period growth rates was lower than post merger period
5. Growth rates of both Employees productivity of the transferee banks in post merger period was much higher than respective pre-merger period; in other words the trend break of the productivity was significantly positive.

Therefore, in respect of all the performance parameter, transferee bank (Oriental Bank of Commerce) in post merger period was in better position than pre-merger period.

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