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THE IMPACT OF PRE AND POST MERGER MONETARY PERFORMANCE: U.S.A PERSPECTIVE

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ABSTRACT

The research of this study is to outline the effect of mergers on selected American banks from the period 2005 to 2019. The research study basically uses two methods, first method uses The Pre- and Post-merger monetary performance measurement with the help of financial variables like Earning Per Share, Return on Equity, Return on Assets, etc. PNC Bank and Old National bank had shown positive effects on all the variables using the first method. Capital One Financial Corporation had shown a positive effect on the majority of the variables except for Return on Assets and NBT Bank had also a positive effect on the majority of variables except for Return on Equity and Return on Assets. The second method uses comparative analysis where financial variables of the banks are compared with an average of the respected banks. NBT bank had a negative effect on Earning Per Share compared to the averages of all the respected banks. Old National Bank had also shown a negative effect on earnings per share, Return on Equity & Yield on Advances compared to averages of all the respected banks. Capital One Financial Corporation & PNC Bank had a negative effect on most of the variables using the comparative analysis on variables like Return on Assets, Yield on Investments, Net Profit Ratio, Business Per Employee & Profit Per Employee compared to an average of the respected banks.

KEY WORDS: *Merger, Monetary, performance, Bank*

1. INTRODUCTION

The American banking system is one amongst the biggest and financially robust industry within the world. It plays a significant role within the economic development of the country. Several banks use mergers and acquisitions to grow their public reach and maximize profit. A merger is associate agreement that unites two existing corporations into one new company. Mergers are of various types such as-Horizontal merger: A merger between corporations that are in direct competition with one another in terms of product lines and markets. Vertical merger: A merger between corporations that are on an equivalent supply chain (e.g., a retail company within the car elements trade merges with a corporation that provides raw materials for car elements). Market-extension merger: A merger between corporations in several markets that sell similar merchandise or services. Product-Extension Merger: A merger between corporations within the same markets that sell totally different however connected merchandise or services. Conglomerate merger: A merger between corporations in unrelated business activities (e.g., article of clothing company buys a software package company).

According to weaver (2001) (Afza & Yusuf, 2012) merger is a phenomenon which in simple terms is making two or more entities in a single entity. M&A provides a foothold to the organizations who wish to keep their businesses in running condition. Organizations are currently realizing that it'll be useful for their aims to enter into Merger and Acquisition (Zahid and Shah 2011).

The paper is organized as follows: Section 2 presents the literature review of Pre- and Post-Merger monetary performance. The research methodology is roofed in section 3. The information analysis of the chosen monetary parameters is represented in section 4. The conclusion is roofed in section 5.

2. LITERATURE REVIEW

Patel and shah (2016) investigate the pre- and post- merger monetary performance of the Indian banking system covering a period of 2001 to 2014. They notice the impact of merger to be positive and important for monetary performance. Mumcu and Zenginobuz (2005) examine the pre- and post-merger monetary performance of the Turkish banking system. They notice that merger has important and positive impact on monetary performance and resulted in improved profitableness. Dobre et al. (2012) assess monetary performance of Romanian company corporations covering the amount of 2005-2011. They notice that the merger resulted within the improvement of monetary performance and, as a result, the profitableness ratios inflated considerably. Francoeur et al. (2012) using the 1990 to 2003 information of Canadian corporations, finds that the merger improves the profitableness. The profitableness ratios in- creases considerably once the merger and shows higher results. Shanmugam and Nair (2004) analysed the impact of merger on monetary performance of fifty-four Malaysian banks. Shanmugam and Nair (2004) analysed the impact of merger on financial performance of fifty-four Malaysian banks. By applying the paired t-test on 1990-2000 data, it's found that merger has sturdy the monetary position of banks and resulted in improvement in gain ratios. Arvanitis and Stucki (2015) analyses the pre- and post-merger monetary performance of mergers that happened among little and medium sized corporations in Switzerland throughout 2008- 2010. The study finds that the merger remains positive for the monetary performance. Ahmed and Ahmed (2014) assess the monetary performance of Pakistani producing firms covering a period of 2000-2009. They notice that the merger resulted in rising the over- all performance of the firm. Further, once the merger, there's important improvement in profitableness and also the merger remains positive. The study unconcealed that the merger had a positive impact on monetary performance and also the profitableness ratios showed improved performance. Das (2014) studied the pre- and post-merger monetary performance of regional rural banks using a paired t-test. The study finds that the merger features a positive impact on monetary performance and will increase profitableness considerably. Al-Hroot (2016) victimisation the paired sample t-test on seven completely different Jordanians corporations finds that the merger resulted in rising the performance of the firm. Feroz et al. (2005) finds that monetary performance increased considerably once merger. The monetary ratios are in improved version after merger. Harrison et al. (1991) analyses the post-acquisition performance of 1100 United States firms within the period of 1970-1989 and demonstrates that the acquisition remains useful for the acquiring firms & resulted in improvement of profitableness ratios. Daniya et al. (2016) examine the pre- and post-merger monetary performance of twenty four Nigerian banks and concludes that the once the merger the monetary performance improved and, as a result, the profitableness ratios inflated considerably. Reddy et al. (2013) investigate the pre- and post-merger monetary performance of Indian banks covering a amount from 2000 to 2006. Lees (1992) finds that the merger remains helpful for the acquiring firm and within the post-merger amount the profitableness has inflated with higher rate as compared to the pre-merger amount. Rani et al. (2015) analyses the pre- and post-merger monetary performance of 305 Indian corporations employing a paired t-test. The study finds that once the merger the monetary performance has upgraded and return on equity, return on capital employed, the net gross margin enhanced considerably. Demirbag et al. (2007) analyse the impact of merger on monetary performance of Indian pharmaceutical corporations. The study finds that the merger remains positive from the monetary purpose of read and ensued in will increase reciprocally on investment and income margin. Rishi Patel (2018) by finds a negative impact of the mergers on most of the variables and a positive impact on a few variables. in the post-merger amount, the profitableness of all four banks ablated. However, for all four banks, the earnings per share, profit per worker and business per employee showed positive trend and have fully grown after the merger. Ramakrishnan (2008) finds that the merger that happened at intervals the Indian monetary sector from 1996 to 2003 junction rectifier to improvement in monetary performance of companies and in addition contributed towards risk growth. In another study, Ramakrishnan (2010) examines the impact of merger on monetary performance of Indian corporations using information from 1996 to 2002. The study came with the result that the mergers have increased the semipermanent performance of corporations. Meghouara and Sbai (2013) notice that the merger of the banking concern of Morocco remains beneficial. The profitableness quantitative relation inflated considerably once the merger. Kilic (2011) examines the pre- and post-merger monetary performance of ten Turkish banks using data envelopment analysis and finds positive impact of merger on profitableness. after the merger, the monetary performance improved pointedly. Joash and Njangiru (2015) by victimisation the information from 2000 to 2014, come to the conclusion that the merger remains positive for Kenyan banks. after the merger, the return on investment & earning per share have inflated considerably.

Some of the researchers have found a mean impact of merger on the monetary performance wherever profit has improved however not to a major extent. Vulanovic (2017) finds that the merger has negative impact on the monetary performance of commercial companies. The companies engaged within the merger have reported negative outcome within the monetary performance. Mantravadi and Reddy (2008) analysed the pre- and post-merger monetary performance of Indian companies using paired t-test covering a amount from 1991-2003. They realize that the merger remains negative for the monetary performance and resulted into decreasing in numerous profitableness ratios. Igbinosa et al.(2017), Singh & Bansal (2017) and Shijaku (2017) found the monetary ratios as an important tool to measure the performance. Kemal (2011) analyses the pre- and post-merger monetary performance of two Pakistani banks covering the period of 2006 to 2009. The study finds that the merger deal fails to boost the monetary performance and leads to decrease in the level of profitableness. Lakstutiene et al. (2015) analyse the

post- 186 Journal of Central Banking Theory and practice acquisition performance of ten corporate companies based mostly in Republic of Lithuania. They coated a period of 2000 to 2010 and realize that the merger had a negative impact on monetary performance of the companies. after the merger, the profitableness ratios shriveled within the short run. To date, studies of pre- and post-merger monetary performance solely thought of monetary ratios however few variables haven't been enclosed. These variables are bearing on the banking system solely. This study is considering the variables which can offer higher results. supported the literature review, the variables and applied mathematics test are drawn for finishing up this study.
Observing the Pre- and post-merger monetary performance solely through monetary ratios however few variables haven't been enclosed. These variables are referring to the banking system solely. This study is considering the variables which might offer higher results supported the literature review, the variables and statistical test are drawn for effecting this study.

3. RESEARCH METHODOLOGY

This study is dispensed with the target to understand the before and after the merger comparative position of long run profit with relevancy to selected Banks currently operating in United states of America. Further, the study additionally aims to analyse the monetary performance of the chosen banks with the common of the trade in each pre- and post-merger. This study is dispensed employing a descriptive analysis style. This study uses 5 years before and 5 years when the merger event to test the hypothesis. Total period of 11 years is taken into thought. The year of merger is selected as (T0) whereas the 5 years before and after the merger is shown as (-T5, -T4, -T3, -T2, -T1) and (T1, T2, T3, T4, T5), severally. The study uses the fundamental analysis approach.

3.1Data

PNC Bank, FirstMerit Bank, NBT Bank, Old National Bank, Capital One Financial Corporation are taken into consideration. Banks are chosen due to the following reasons:

- Banks are currently operating in U.S.A
- Accounting data and financial ratios are easy to fetch
- All these banks had mergers and Acquisition during 2011-2014

  The research data is being taken from MacroTrends database software, Annual reports from respected banks. The data contain the profitability ratios, balance sheet and profit and loss account.

3.2 Variables and Hypothesis

Business per Employee, earnings per share, net profit margin, profit per employee, return on assets, return on equity, yield on advances and yield on investments are being used to know the financial analysis.

Al-Hroot(2016), Das (2014), Patel and Shah (2016), Rashid and Naeem (2017) , Vulanovic (2017) , Rishi Patel(2018) ,Lees (1992), Pawaskar (2001), Shanmugam and Nair (2004), Feroz et al. (2005), Mumcu and Zenginobuz (2005), Demirbag et al. (2007), Ku- mar and Bansal (2008), Mantravadi and Reddy (2008), Ramakrishnan (2008), Kumar (2009), Har- rison et al. (1991), Uddin and Boateng (2009), Ramakrishnan (2010), Kemal (2011), Kilic (2011), Dobre et al. (2012), Francoeur et al. (2012), Reddy et al. (2013), Sufian et al. (2012), Meghouara and Sbai (2013), Ahmed and Ahmed (2014), Ghosh and Dutta (2014), Jayaraman et al. (2014), Duggal (2015), Joash and Njangiru (2015), Lakstutiene et al. (2015), Patel and Patel (2015), Rani et al. (2015), Daniya et al. (2016) have used this variable for their past researches many times. Variables such as Business per employee and profit per employee would be used in this study.

We will use T-Paired test now to know the consequences on the American banks before and after the mergers. It will be used to check long term profitability position. It is used by various researchers such as Al-Hroot (2016), Das (2014), Patel and Shah (2016), Rashid and Naeem (2017),Vulanovic (2017) , Sufian et al. (2012), Meghouara and Sbai(2013),Ahmed and Ahmed(2014),Ghosh and Dutta(2014),Jayaramanetal.(2014), Duggal(2015), Joash and Njangiru (2015), Lakstutiene et al. (2015), Patel and Patel (2015), Rani et al. (2015), Daniya et al. (2016) ,), Ramakrishnan (2008), Kumar (2009), Uddin and Boateng (2009), Ramakrishnan (2010), Kemal (2011), Dobre et al. (2012), Francoeur et al. (2012), Reddy et al. (2013), Harrison et al. (1991), Pawaskar (2001), Shanmugam and Nair (2004), Mumcu and Zenginobuz (2005), Demirbag et al.(2007), Mantravadi and Reddy (2008) and Rishi Patel(2018).

The variable wise hypothesis we will use paired T-Test, Pre merger is denoted as BM and Post Merger is denoted as AM . The hypothesis is as follows:

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Table1: Variable wise Hypothesis

Variable	Null Hypothesis	Alternative Hypothesis
Earnings per Share (USD) (EPS)	$EPS_{BM} = EPS_{AM}$	$EPS_{BM} \neq EPS_{AM}$
Return on Equity (ROE)	$ROE_{BM} = ROE_{AM}$	$ROE_{BM} \neq ROE_{AM}$
Return on Assets (ROA)	$ROA_{BM} = ROA_{AM}$	$ROA_{BM} \neq ROA_{AM}$
Yield on Advances (YOA)	$YOA_{BM} = YOA_{AM}$	$YOA_{BM} \neq YOA_{AM}$
Yield on Investments (YOI)	$YOI_{BM} = YOI_{AM}$	$YOI_{BM} \neq YOI_{AM}$
Net Profit Ratio (NP)	$NP_{BM} = NP_{AM}$	$NP_{BM} \neq NP_{AM}$
Profit per Employee (PPE)	$PPE_{BM} = PPE_{AM}$	$PPE_{BM} \neq PPE_{AM}$
Business per Employee (BPE)	$BPE_{BM} = BPE_{AM}$	$BPE_{BM} \neq BPE_{AM}$

Source: Author's Coinage

4. RESULT AND DISCUSSION.

The analysis of research-based study is done using two different sets:

- The Pre- and Post-merger monetary performance measurement
- Comparative Analysis

4.1 The Pre- and Post-merger Monetary performance measurement

Here every variable is compared on basis of average of five years before merger and five years after mergers.

The result of this study on banks is as follows:

1. Capital One Financial Corporation- It was merged on 2011. Years to be taken Pre-Merger i.e. (2005 ,2006, 2007, 2008 ,2009 ,2010) and years to be taken Post merger i.e. (2012, 2013 ,2014 ,2015 ,2016).

Table 2: Pre- and Post-Merger Monetary Performance of Capital One Financial corporation

Particulars	Duration	Mean	Standard deviation	t-value	Significance
Earnings Per Share (EPS) (USD)	Pre-Merger	3.63	2.99	0.1274	0.0417
	Post-Merger	6.91	0.48		
Return On Equity (%)	Pre-Merger	7.17	4.37	0.4319	0.3455
	Post-Merger	9.17	0.90		
Return On Assets (%)	Pre-Merger	1.0	0.77	0.6741	0.2416
	Post-Merger	0.16	1.27		
Yield On Investments (%)	Pre-Merger	3.34	1.18	0.2319	0.2176
	Post-Merger	4.32	0.66		
Yield On Advances (%)	Pre-Merger	0.008	0.01	0.5017	0.3005
	Post-Merger	0.01	0.001		
Net Profit Ratio (%)	Pre-Merger	0.12	0.10	0.3276	0.2248
	Post-Merger	0.18	0.02		
Business Per Employee (USD)	Pre-Merger	0.0004	0.00007	0.4509	0.4462
	Post-Merger	0.0004	0.00002		
Profit Per Employee (USD)	Pre-Merger	0.02	0.03	0.3404	0.1761
	Post-Merger	0.00009	0.000008		

Source: Calculation by Author

Table 2 shows Capital One Financial Corporation at an advantage condition. The average Earning Per Share (EPS) increased from 3.63 to 6.91 after the merger. EPS showed a 90.35% increase after the merger. The t-value (0.1274) and significance value (0.0417) show that after the merger the EPS increased significantly. Return On Equity (ROE) was 7.17% before merger and got increased to 9.17% after the merger. It showed a little growth of 28% after the merger. The t-value (0.4319) and significance value (0.3455) show minimal effect of merger on return on equity. Return On Assets (ROA) decreased from 1.0% to 0.16% after the merger and had a decreased growth rate of -84% which shows the company might have over-invested in assets that have failed to produce revenue growth. The t-value (0.6741) and significance value (0.2416) show the decreasing effect post-merger. Yield On Investments (YOA) increased from 3.34% to 4.32% which shows a little growth of 29.34%. The t-value (0.2319) and significant value (0.2176) shows a minimal growth on the Yield on Investments due to minimal utilisation of assets before and after merger. Yield On Advances (YOA) increased from 0.008% before merger to 0.01% after merger and had a growth rate of 25% due to proper utilisation of advances post-merger. The t-value (0.5017) and significant value (0.3005) shows the positive effect on Advances Post-Merger. Net Profit Ratio (NPR) increased from 0.12% before merger to 0.18% after merger. It showed a growth of 50% after the merger, the t-value (0.3276) and significant value (0.2248) shows after merger Net Profit Ratio increased significantly. Business Per Employee shows no changes after the merger. The t-value (0.4509) and significance value (0.4462) show that the merger had no impact on the Business Per Employee. The Profit Per Employee decreased from $0.02 before merger to $0.00009 after the merger. It showed a -99.55 negative growth. The t-value (0.3404) and significant value (0.1761) show that company was incompetent to utilise employees properly. Moreover, the merger had positive impact on Earnings Per Share, Return on Equity, Yield on Investments, Yield on Advances, Net Profit Ratio. Business Per Employee didn't show any effect. The merger showed negative effect on Returns on Assets and Profit Per Employee.

2. PNC Bank – It got merged on 2012. Years to be taken Pre-Merger i.e. (2007, 2008 ,2009 ,2010,2011) and years to be taken Post merger i.e. (2013 ,2014 ,2015 ,2016,2017).

Table 3: Pre- and Post-Merger Monetary Performance of PNC Bank.

Particulars	Duration	Mean	Standard deviation	t-value	Significance
Earnings Per Share (EPS) (USD)	Pre-Merger	4.5	1.33	0.005	0.0033
	Post-Merger	8.0	1.35		
Return On Equity (%)	Pre-Merger	8.13	2.32	0.2359	0.1701
	Post-Merger	9.87	1.13		
Return On Assets (%)	Pre-Merger	0.94	0.43	0.2171	0.1737
	Post-Merger	1.24	0.13		
Yield On Investments (%)	Pre-Merger	4.03	1.51	0.0541	0.0395
	Post-Merger	5.82	0.61		
Yield On Advances (%)	Pre-Merger	0.01	0.003	0.1205	0.1950
	Post-Merger	0.012	0.001		
Net Profit Ratio (%)	Pre-Merger	0.10	0.05	0.0245	0.0548
	Post-Merger	0.12	0.07		
Business Per Employee (USD)	Pre-Merger	0.0002	0.0001	0.1343	0.0001
	Post-Merger	0.003	0.000009		
Profit Per Employee (USD)	Pre-Merger	0.00004	0.00003	0.0077	0.0306
	Post-Merger	0.00009	0.00001		

Source: Calculation by Author

Table 3 shows PNC Bank at an advantage condition. The average Earning Per Share (EPS) increased from 4.5 to 8.0 after the merger. EPS showed a 77.9% increase after the merger. The t-value (0.005) and significance value (0.0033) show that after the merger the EPS increased significantly.

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Return On Equity (ROE) was 8.13% before merger and got increased to 9.87% after the merger. It showed a little growth of 21.40% after the merger. The t-value (0.2359) and significance value (0.1701) show minimal effect of merger on return on equity. Return On Assets (ROA) increased from 0.94% to 1.24% after the merger and had an increased growth rate of 31.91% which shows the company might have invested in assets that have produced revenue growth. The t-value (0.2171) and significance value (0.1737) show the increasing effect post-merger. Yield On Investments (YOA) increased from 4.03% to 5.82% which shows a little growth of 44.41%. The t-value (0.0541) and significant value (0.0395) shows a minimal growth on the Yield on Investments. Yield On Advances (YOA) increased from 0.01% before merger to 0.012% after merger and had a growth rate of 20% due to proper utilisation of advances post-merger. The t-value (0.1205) and significant value (0.1950) shows the positive effect on Advances Post-Merger. Net Profit Ratio (NPR) increased from 0.10% before merger to 0.12% after merger. It showed a growth of 20% after the merger, the t-value (0.245) and significant value (0.0548) shows after merger Net Profit Ratio increased significantly. Business Per Employee increased from $0.0002 before merger to $0.003 after the merger. It showed a growth of 50% and the t-value (0.1343) and significance value (0.0001) show that they used human capital effectively. The Profit Per Employee increased from $0.00004 before merger to $0.00009 after the merger. It showed a growth of 125%. The t-value (0.0306) and significant value (0.0077) show that company was competent to utilise its employees properly. Moreover, the merger had positive impact on Earnings Per Share, Return on Equity, Yield on Investments, Yield on Advances, Net Profit Ratio. Business Per Employee, Returns on Assets and Profit Per Employee. It didn't show any negative effect on any of the following.

3. NBT Bank- It got merged on 2013. Years to be taken Pre-Merger i.e. (2008 ,2009 ,2010,2011,2012) and years to be taken Post merger i.e. (2014 ,2015 ,2016,2017,2018).

Table 4: Pre- and Post-Merger Monetary Performance of NBT Bank.

Particulars	Duration	Mean	Standard deviation	t-value	Significance
Earnings Per Share (EPS) (USD)	Pre-Merger	1.66	0.10	0.2107	0.1583
	Post-Merger	1.92	0.36		
Return On Equity (%)	Pre-Merger	10.93	1.54	0.1541	0.0624
	Post-Merger	9.11	1.08		
Return On Assets (%)	Pre-Merger	1.01	0.08	0.6416	0.5524
	Post-Merger	0.97	0.12		
Yield On Investments (%)	Pre-Merger	5.35	0.54	0.0051	0.0175
	Post-Merger	7.46	1.11		
Yield On Advances (%)	Pre-Merger	0.01	0.0009	0.6885	1.000
	Post-Merger	0.01	0.0012		
Net Profit Ratio (%)	Pre-Merger	0.20	0.02	0.3411	0.1525
	Post-Merger	0.22	0.03		
Business Per Employee (USD)	Pre-Merger	0.18	0.006	0.0189	0.0011
	Post-Merger	0.22	0.017		
Profit Per Employee (USD)	Pre-Merger	0.10	0.05	0.4248	0.4483
	Post-Merger	0.14	0.008		

Source: Calculation by Author

Table 4 shows NBT Bank at a disadvantage situation. The average Earning Per Share (EPS) increased from $1.66 to $1.92 after the merger. EPS showed a 15.66% increase after the merger. The t-value (0.1274) and significance value (0.0417) show that after the merger the EPS increased at a significantly low rate. Return On Equity (ROE) was 10.93% before merger and got decreased to 9.11% after the merger. It showed a negative growth of -16.65% after the merger. The t-value (0.4319) and significance value (0.3455) show negative effect of merger on return on equity. Return On Assets (ROA) decreased from 1.01% to 0.97% after the merger and had a decreased growth rate of -3.96% which shows the company might have over-invested in assets that have failed to produce revenue growth. The t-value (0.6416) and significance value (0.5524) show the decreasing effect post-merger. Yield On Investments (YOA) increased from 5.35% to 7.46% which shows a little growth of 38.91%. The t-value (0.0175) and significant value (0.0051) shows a minimal growth on the Yield on Investments due to minimal utilisation of assets before and after merger. Yield On Advances (YOA) didn't show any effect after the merger. It was 0.01% before and after merger. The t-value (0.6885) and significance (1.000) suggest the same. Net Profit Ratio (NPR) increased from 0.20% before merger to 0.22% after merger. It showed a growth of 10% after the merger, the t-value (0.3276) and significant value (0.2248) shows after merger Net Profit Ratio increased at minimal rate. Business Per Employee increase from $0.18 before merger to $0.22 after the merger. It showed a growth rate of 22.22% after the merger. The t-value (0.0189) and significance value (0.0011) show that the merger had positive impact on the Business Per Employee. The Profit Per Employee decreased from $0.10 before merger to $0.05 after the merger. It showed a -50% negative growth. The t-value (0.4248) and significant value (0.4483) show that company was incompetent to utilise employees properly. Moreover, the merger had positive impact on Business Per Employee, Net Profit Ratio, Yield on Investments, Earnings Per Share. The merger showed negative effect on Return on Equity, Profit Per Employee, Return on Assets. The merger didn't show any effect on Yield on Advances.

4. Old National Bank- It got merged on 2014. Years to be taken Pre-Merger i.e. (2009 ,2010,2011,2012,2013) and years to be taken Post merger i.e. (2015 ,2016,2017,2018,2019).

Table 4: Pre- and Post-merger monetary performance of Old National Bank

Particulars	Duration	Mean	Standard deviation	t-value	Significance
Earnings Per Share (EPS) (USD)	Pre-Merger	0.66	0.40	0.0594	0.0909
	Post-Merger	1.07	0.26		
Return On Equity (%)	Pre-Merger	5.87	2.86	0.4978	0.4501
	Post-Merger	7.02	1.52		
Return On Assets (%)	Pre-Merger	0.71	0.36	0.3384	0.3201
	Post-Merger	0.91	0.22		
Yield On Investments (%)	Pre-Merger	4.31	2.33	0.1992	0.1362
	Post-Merger	6.32	1.39		
Yield On Advances (%)	Pre-Merger	0.007	0.003	0.3188	0.2500
	Post-Merger	0.009	0.002		
Net Profit Ratio (%)	Pre-Merger	0.14	0.07	0.0306	0.0606
	Post-Merger	0.23	0.06		
Business Per Employee (USD)	Pre-Merger	0.17	0.02	0.0021	0.0025
	Post-Merger	0.24	0.03		
Profit Per Employee (USD)	Pre-Merger	0.02	0.01	0.0114	0.0171
	Post-Merger	0.05	0.02		

Source: Calculation by Author

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Table 5 shows Old National Bank at an advantage condition. The average Earning Per Share (EPS) increased from $0.66 to $1.07 after the merger. EPS showed a 62.12% increase after the merger. The t-value (0.0594) and significance value (0.0909) show that after the merger the EPS increased significantly. Return On Equity (ROE) was 5.87% before merger and got increased to 7.02% after the merger. It showed a little growth of 19.59% after the merger. The t-value (0.4978) and significance value (0.4501) show minimal effect of merger on return on equity. Return On Assets (ROA) increased from 0.71% to 0.91% after the merger and had a increased growth rate of 28.16% which shows the company utilised the assets properly post-merger. The t-value (0.3384) and significance value (0.3201) show the increasing effect post-merger. Yield On Investments (YOA) increased from 4.31% to 6.32% which shows a growth of 46.63%. The t-value (0.1992) and significant value (0.1362) shows a minimal growth on the Yield on Investments due to minimal utilisation of assets before and after merger. Yield On Advances (YOA) increased from 0.007% before merger to 0.009% after merger and had a growth rate of 28.57% due to proper utilisation of advances post-merger. The t-value (0.3188) and significant value (0.2500) shows the positive effect on Advances Post-Merger. Net Profit Ratio (NPR) increased from 0.14% before merger to 0.23% after merger. It showed a growth of 64.28% after the merger, the t-value (0.0306) and significant value (0.0606) shows after merger Net Profit Ratio increased significantly. Business Per Employee increased from $0.17 before merger to $0.24 after the merger. It showed a growth rate of 41.17% after the merger. The t-value (0.0021) and significance value (0.0025) show that the merger had positive impact on the Business Per Employee due to proper utilisation of human capital. The Profit Per Employee increased from $0.02 before merger to $0.05 after the merger. It showed a 150% positive growth. The t-value (0.0114) and significant value (0.0171) show that company was successful to utilise employees properly. Moreover, the merger had positive impact on Earnings Per Share, Return on Equity, Yield on Investments, Yield on Advances, Net Profit Ratio, Business Per Employee, Returns on Assets and Profit Per Employee. It didn't have any negative effect.

4.2 Comparative Analysis

A comparative analysis of assorted monetary performance variables of acquiring banks i.e. (Capital One Financial Corporation, NBT Bank, Old National Bank, PNC Financial Services) and therefore the banking system is given with regard to the pre- and post-merger periods. This is often done with the target to analyse the development in monetary performance within the post-merger amount in regard to the business average.

Table 6: Comparative Analysis of Monetary Variables of Respected Banks with Average of All Banks

Particulars	Period	Capital One Financial Corporation	PNC Bank	NBT Bank	Old National Bank	Average of respected banks
Earnings Per Shares (EPS) (USD)	Pre-Merger	3.63	4.5	1.66	0.66	2.61
	Post-Merger	6.91	8.0	1.92	1.07	4.48
Return On Equity (%)	Pre-Merger	7.17	8.13	10.93	5.87	8.03
	Post-Merger	9.17	9.87	9.11	7.02	8.79
Return On Assets (%)	Pre-Merger	1.0	0.94	1.01	0.71	0.92
	Post-Merger	0.16	1.24	0.97	0.91	0.82
Yield On Investments (%)	Pre-Merger	3.34	4.03	5.35	4.31	4.26
	Post-Merger	4.32	5.82	7.46	6.32	5.98
	Pre-Merger	0.008	0.01	0.01	0.007	0.009

Yield On Advances (%)	Post-Merger	0.01	0.012	0.01	0.009	0.010
Net Profit Ratio (%)	Pre-Merger	0.12	0.10	0.20	0.14	0.14
	Post-Merger	0.18	0.12	0.22	0.23	0.19
Business Per Employee (USD)	Pre-Merger	0.0004	0.0002	0.18	0.17	0.088
	Post-Merger	0.0004	0.003	0.22	0.24	0.12
Profit Per Employee (USD)	Pre-Merger	0.02	0.00004	0.10	0.02	0.04
	Post-Merger	0.00009	0.00009	0.14	0.05	0.05

Source: Calculation by Author

Table 7 shows a comparative analysis of the monetary performance of the respected banks. Analysing the respected banks, Capital One Financial Corporation and PNC bank have the highest Earning Per Share (EPS) before and after the merger. The rest of banks have quite low Earning Per Share before and after merger according to averages of respected banks. PNC Bank and NBT have their return on assets and return on equity higher than the average of the respected banks in both pre- and post-merger period. Moreover, Capital One Financial Corporation had significant growth on Returns on Equity after the merger and Old National Bank had significant growth on Returns on Assets after the merger which shows the growth in monetary performance of the banks. NBT Bank and Old National Bank have shown significant growth before and after the merger on Yield on Investments according to average of all banks. PNC Bank and NBT Bank have the highest Yield on Advances. Moreover, Capital One Financial Corporation had shown increase in Yield on Investment as well as on Yield on Advances after the merger in respect to averages of the banks. Comparing all the banks, NBT Bank and Old National Bank have the highest Net profit ratio before and after the merger. Capital One Financial Corporation and PNC Bank have reported low net profit ratio when compared to averages of respected banks. Business Per Employee of NBT Bank and Old National Bank had high growth before and after the merger. NBT bank had shown significant growth before and after the merger on Profit Per Employee according to average of respected banks, however Old National Bank having lower average before the merger had significant growth after the merger and had an average equal to average of respected banks. Capital One Financial Corporation and PNC bank have reported low Business Per Employee as well as Profit Per Employee compared to average of the respected banks.

5. SUMMARY AND CONCLUSION

The Journal Paper compares the Pre-merger and Post-merger position of long-term viability of selected banks currently operating in United States of America (U.S.A) from the period 2005 to 2019. Different financial variables are used to measure the long-term performance of banks such as Old National Bank, PNC Bank, NBT Bank, Old National Bank. Comparing the performance of banks, during the Post Merger period, PNC Bank and Old national Bank didn't have any negative growth. Capital One Financial Corporation and NBT Bank have positive growth in most of the financial variables and negative in only few. The PNC Bank and Old national Bank had a positive impact of the merger on the all the variables such as earnings per share, return on assets, return of equity, yield on advances, yield on investments, Net Profit Ratio, profit per employee and business per employee. However, Banks like Capital One Financial Corporation showed negative effect post-Merger on variables like Return on Assets as the bank became inefficient in making maximum use of its assets post-merger. It also showed negative effect on Profit per Employee due to not utilising human capital properly. NBT Bank showed negative effect on Return on Assets and Return on Equity as the bank was inefficient to use its resources properly and make gains thus failed to increase shareholders value post-merger. Moreover, comparative analysis to analyse the monetary performance of the respected banks using the variables is also used here. Old National had its Earning Per share, Return on Equity, Yield on Investments got decreased post-merger compared to average of the respected banks. NBT Bank had its Earning Per Share decreased compared to average of respected banks. Capital One Financial Corporation and PNC bank had its Return on Assets, Yield on Investments, Net Profit Ratio, Business Per Employee, Profit Per employee got decreased compare to average of respected banks. Rest all the other variables of all the respected banks had increased growth with average of the respected banks.

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