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DETERMINANTS OF PROFITABILITY IN THE NIGERIAN DEPOSIT MONEY BANKS

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Abstract

The issue of poor performance of deposit money banks in Nigeria has been a long standing one, Consequently this study examined the determinants of profitability of deposit money banks in Nigeria using both internal variables (capital adequacy ratio, asset quality ratio and liquidity ratio) and external variables (Gross Domestic Product, interest rate and rate of inflation). Seven banks were sampled and the scope of the study covered the period 2008-2013. The data which were obtained through secondary sources were analysed using ordinary least square regression. The findings revealed that some internal variables (capital adequacy ratio, and liquidity ratio) and external variable (Gross Domestic Product have significant impact on the profitability of deposit money banks in Nigeria, While Asset Quality Ratio, Interest rate and Inflation rates are statistically insignificant. It is recommended amongst others that efforts should be

Determinants of Profitability in the Nigerian Deposit Money Banks

made to ensure that the prevailing credit policy of the Central Bank of Nigeria must be fully observed in considering credit request from customers to reduce default in loan refund in the Nigerian banking industry.

Key words: *Profitability, internal variables and external variables*

Introduction

The banking sector plays a major role in the economic development of any country as a result of their intermediation function and their ability to mobilize large amount of capital for individuals and corporate bodies for investment purposes. As a result of this important function of the banks in the economy, various stakeholders such as government, depositors, investors and employees always attach great importance to the quality of performance of the banking industry in any country.

In Nigeria, the performance of the banking industry before the general recapitalization exercise in 2006, according to Soludo (2006) Nigeria banks was characterized by “boom and burst” cycle which made the banks to fail in their intermediation function as a result of poor mobilization of large amount of capital particularly from the informal sector. However, even after the recapitalization exercise, the level of confidence in the financial system remained negative following the bail out of some of the recapitalized banks by the Central Bank of Nigeria (CBN) in 2009. This is as a result of poor management, involving inadequate policies, lack of standard practices, prevalence of over extension of loans, poor lending, mismatching of assets and liabilities, weak and ineffective internal central systems and poor or lack of strategic planning in the Nigerian banking industry (Alashi, 2002).

Gap in Literature

The determinants of performance of deposit money banks have been studied by many researchers but their studies were very limited in the Nigerian context. Although both microeconomic and macroeconomic variables were examined in the few studies conducted in Nigeria, none of them considered the effect of interest rate (a macroeconomic factor). Consequently this study shall include interest rate, among others such as Gross Domestic Product (GDP), yearly inflation rate, asset quality, liquidity ratio and capital adequacy ratio, among others.

The main objective of this study was to assess the determinants of deposit money banks profitability in Nigeria using data covering the period 2008-2013 obtained from Nigerian Stock Exchange (NSE).

The following hypotheses were formulated in null forms in view of the study.

1. Capital Adequacy Ratio has no significant effect on the profitability of deposit money banks in Nigeria.
2. Asset Quality Ratio has no significant effect on the profitability of deposit money banks in Nigeria.
3. Liquidity Ratio has no significance effect on the profitability of deposit money banks in Nigeria.
4. Gross Domestic Product has no significant effect on the profitability of deposit money banks in Nigeria.
5. Interest rate has no significant effect on the profitability of deposit money banks in Nigeria.
6. Yearly inflation rate has no significant effect on the profitability of deposit money banks in Nigeria.

The domain of this study was centered on the financial sector (specifically listed deposit money banks in Nigeria). The study would be significant to policy makers such as Central Bank of Nigeria and researchers would also find the study beneficial in view of the gap that this study would fill.

2. Review of Empirical Studies

The performance of deposit money banks is generally a function of both internal and external determinants. Internal determinants are those that are influenced by the bank management while external determinants are those variables about the economic and legal environment in which the bank operates to render services. The researches on the determinants of bank performance generally result in mixed findings in the literature as a result of differences in data, covering different areas and periods in different countries.

Internal Determinants

Capital Adequacy Ratio (CAR)

As with many variables, the impact of capital adequacy ratio is well debated among researchers. Capital adequacy ratio is usually measured by the ratio of equity to risk assets. Bourke (1989) and Berger (1995) studied the issue of capital adequacy ratio with the result that a higher level of capital reduces risk (bankruptcy) incurred by banks. A large capital adequacy ratio allows the bank to

invest in richer assets whose expected returns are higher and so results in better performance and much profit making. Also a higher CAR is a very positive signal to the investing public on the solvency of the bank and its very low credit risk.

In Romanis Alin, Vasile and Silviu (2012) using data from 345 sampled banks over the period 2004-2010, examined the determinants of bank performance in Central Eastern Europe showing pre-financial crisis and crisis period. It was found that the best performing banks during the crisis period had significantly more equity capital than others.

Liquidity Sufficiency Ratio

Liquidity can be referred to as a state in which an asset can be readily converted into cash. A bank may be solvent by having enough assets to cover its liabilities but may remain illiquid. This may be due to a mismatch between its assets and liabilities (Kasman, 2010). Researchers such as Banke (1989) found a positive relationship between the liquidity ratio and Return on Equity (ROE) while that of Molyneux and Thernton (1992) found a negative impact.

Asset Quality Ratio

Otu (2005) opined that assets or loans are very important in the banking industry because they are the major source of earnings of the bank and they consist mainly of loan and advances. Asset quality ratio as a variable has been used by several researchers as a determinant of bank performance. The study by Liu and Wilson (2010) found that deterioration in the asset quality reduces the ROA and ROE. However, the study conducted by Dietrich and Wanzenried (2011) on the performance of banks in Switzerland found that pre-financial crisis asset quality had no statistically significant impact on the performance of banks.

Christos and Geoffrey (2004) studied the determinant of European bank profitability, focusing on both internal and external determinants that influence the profitability of banks. Ordinary least square regression was used to analyse the data collected over the period 1994-1998 from 685 sampled banks. The variable examined in the study were loan to asset ratio, equity to asset ratio, provision for loan losses to total loans, firm specific, market shares, total assets, level of interest rates and GDP. The findings revealed that both internal and external factors contributed to the profitability of the banks. Specifically, equity to asset ratio, market shares and interest rates are positively related to bank profitability while others are negatively associated with profitability.

The study conducted by Garoui, Sessi and Jarboui (2013) in Tunisia on the determinants of bank performance found that out of the seventeen (17) variables considered their size, control and asset quality are the important variables that can determine the performance of banks, after using a sample of 20 banks which were analysed by cognitive mapping.

External Determinants

Gross Domestic Product (GDP)

GDP has been identified as affecting the performance of deposit money banks by researchers such as Arpa, Giulini, Itter and Paer (2001) and Schwaiger and Liebig (2008). Their claim is based on the assumption that the growth in economic activity measured by GDP, has a positive impact on the performance of banks because a period of high growth leads to higher investments and consumptions which increases the demands for credit facilities invariably increasing the performance of deposit money banks.

Some researchers such as Benanke and Gertter (1989) have found an inverse relationship between GDP growth and performance of banks on the ground that during recession, banks can increase their interest rate on loan to improve on performance and also reduce the effect of loan refund default. Similarly the study conducted by Hoggart et al (1998) conclude that the behaviour of real GDP fails to explain the greater variability of banking sector profits in the UK than in Germany.

Rate of Inflation

Revel (1979) found that the variables in bank profitability can be strongly explained by the level of inflation because the impact of banks is depended on the ratio of growth in operating expenses. If the rate of inflation is rising faster than the expenses, there is a positive impact, otherwise, it is a negative impact. Other studies conducted on the effect of inflations on the performance of deposit money banks by Bikker and Hu (2002), Molyneux and Thornton (1992) found a statistically positive and significant relationship. Similarly, in Nigeria, Oladipupo and Odimayo (2013) studied the determinants of deposit money banks profitability in Nigeria, using asset quality, deposit structures, bank size, loan to total assets, gross domestic product and the yearly rate of inflation. Data were collected from 15 listed banks in Nigeria over the period 2004-2012 and analysed using ordinary least square regression. It was found that Nigerian banks do not monitor the repayment of the loans disbursed and that macroeconomic variables do not have a major effect on bank profitability.

Domestic Interest Rate

Existing literatures on the determinants of performance of deposit money banks have also been extended to the market interest rate. Adegboye et al (2013) noted that since revenues of commercial banks are largely from interest income, it follows that fluctuations in interest rates should have an impact on the profitability and the overall financial performance of these banks. Similarly, Ahmad (2003) reported that interest on loan is the largest constituent of income for Nigerian banks as evidenced from available data and that movement from one interest regime to another could have some effects on the profitability of banks in the system.

Also in Nigeria Adegboye, Olowe and Uwigbe (2013) conducted a study of returns on investment of deposit money banks, to examine both their micro economic and macroeconomic variables of loans to deposit ratio liquidity ratio, investment, inflation, GDP, total credit and cash reserve ratio. The data were obtained over the period 1977-2010 from all the banks in Nigeria and analysed using ordinary least square regression. Findings revealed that the profitability of deposit money banks are significantly affected by macroeconomic variables and other characteristics factors such as credit risk and investment.

3. Research Methodology

3.1 Data Collection, Population, Sample and Analysis

Panel data formed the basis of the data set of this study and were collected from listed deposit money banks in Nigeria over the period of 2008-2013 (six years). The target population was the twenty (20) deposit money banks quoted on the Nigerian Stock Exchange at 31st December 2013 (see Appendix A). using random sampling techniques we arrived at seven banks as sample of the study (see Appendix B) and the data collected was statistically analysed using ordinary least square of Statistical Packages for Social Sciences (SPSS) 16.0 in testing the formulated null hypotheses of the study.

Decision Rule

When the probability value is greater than 5% level of significance for a null hypothesis it should fail to be rejected and where otherwise it is to be rejected.

3.1 Model Development and Variables

Six variables, namely, Capital Adequacy Ratio, Asset Quality Ratio, Liquidity Ratio, Gross Domestic Product, Interest Rates and Yearly Inflation rate were

selected as determinants of Nigeria Deposit Money Banks profitability. In estimating the relationship between these variables, and profitability using Ordinary Least Square (OLS), the functional form can be written as follows:

$$ROA = \alpha + \beta_1CAR + \beta_2AQR + \beta_3LIR + \beta_4GDP + \beta_5INTR + \beta_6INFL + \varepsilon$$

Where: ROA = Return on Assets

- CAR = Capital Adequacy Ratio
- AQR = Asset Quality Ratio
- LIR = Liquidity Ratio
- GDP = Gross Domestic Product
- INTR = Interest Rate
- INFL = Inflation Rate

Table 3.2: Definition of Variables

Variable	Explanation	Type of Variable
Return on Asset (ROA)	$\frac{\text{Profit After Tax} \times 100}{\text{Total Asset}}$	Dependant Variable
Capital Adequacy Ratio (CAR)	$\frac{\text{Total Qualifying Capital} \times 100}{\text{Total Risk Asset}}$	Independent variable
Asset Quality Ratio (AQR)	$\frac{\text{Loan Given-Loan Recovered} \times 100}{\text{Total Credit}}$	Independent variable
Liquidity Ratio (LIR)	$\frac{\text{Total Cash \& Short Term Fund} \times 100}{\text{Total Deposit}}$	Independent variable
Gross Domestic Product (GDP)	Yearly GDP	Independent variable
Interest Rate (INTR)	Yearly interest Rate	Independent variable
Inflation Rate (INFR)	Yearly inflation Rate	Independent variables

Source: CBN (2006)

In testing the null hypothesis, OLS regression was run using SPSS 16.0 on the six variables, namely, Capital Adequacy Ratio, Asset Quality Ratio, Liquidity Ratio, Gross Domestic product Interest Rates and Yearly Inflation rate as determinants of Nigeria deposit money banks’ profitability and they represent the independent variable while Return on Asset is the dependent variable. The results are presented in table 3.3.

Table 3.3 Ordinary Least Square Regression results

VARIABLES	T-VALUES	P-VALUES	VIF
CAR	3.464	0.001	3.342
AQR	-1.551	0.13	1.387
LIR	-2.839	0.007	3.442
LOGGDP	2.865	0.007	4.397
LOGINFL	1.15	0.277	3.723
LOGINTR	-1.226	0.228	2.547
R sq	0.41		
Adjusted R sq	0.309		
P- Value	0.003		
F-change	4.058		
W. Watson	1.564		

Source: SPSS 16.0 Output (See Appendix D)

From the regression result, the coefficient of determination (R-Square) with a value of 0.41 signifies that about 41% of the total variations in the dependent variable (ROA) have been explained by the explanatory variables taken together. The adjusted R-Square shows that even after adjusting for the degree of freedom, the model could explain about 31% of the total variation in ROA. The Durbin Watson statistics of 1.56 indicates the absence of first order autocorrelation of the variables inside the error term in the model.

On the basis of the overall statistical significance of the model as indicated by the F-statistics, it was observed that the overall model was statistically significant since F-Change is 4.058. Also since the p-value of 0.003 was less than 5% level of significance, this shows that there exists a significant linear relationship between the dependent variable of Return on Assets and the explanatory variables. The Durbin Watson statistics of 1.56 indicates the absence of first order autocorrelation of the variable in the model. The correlation between the dependent and explanatory variables are low, indicating there is no co linearity problem. This is further corroborated by the results of Variance Inflation Factor (VIF) test conducted which also provides proof that there is no co linearity as each of the VIF is below 10

On the basis of the individual significance as shown by the p-value in the table, it was observed that CAR, LIR and GDP were statistically significant since their respective values of 0.001, 0.007 and 0.007 were less than 5%, at 5% level of significance.

AQR, INFL and INTR were found to be statistically insignificant because their respective p-value of 0.130, 0.277 and 0.228 were greater than 5%, at 5% level of significance. This implies Capital Adequacy Ratio, Liquidity Ratio and Gross Domestic Product rather than Asset Quality Ratio, Inflation Rate and Interest Rates have significant impact on deposit money banks' profitability in Nigeria

4. Discussion of Findings

Capital Adequacy Ratio, was found to be significantly associated with the Return on Assets of Deposit Money Banks in Nigeria, at a p-value of 0.001 which is less than 1% at 1% level of significance. This finding is corroborated with those of Bourke (1989) and Berger (1995). This implies that banks with larger Capital Adequacy Ratio tend to make more profit than banks with smaller Capital Adequacy Ratio.

Liquidity Ratio was found to be significantly associated with the Return on Assets of Deposit Money Banks in Nigeria, at a p-value of 0.007 which is less than 1% at 1% level of significance. This finding is in line with those of Bonke (1989) and in contrast with those of Molyneux and Thornton (1992). This implies that banks with smaller Liquidity Ratio tend to make more profit than banks with larger Liquidity Ratio.

Gross Domestic Product was found to be significantly associated with the Return on Assets of Deposit Money Banks in Nigeria, at a p-value of 0.007 which is less than 1% at 1% level of significance. This finding is in contrast with those of Bernanke and Gertler (1989). This implies that banks tend to make more profits when the GDP is high.

5. Conclusion

This study examined the determinants of Deposit Money Banks' Profitability in Nigeria using six variables and the regression results showed that only Capital Adequacy Ratio, Liquidity Ratio and Gross Domestic Product were significant while Asset Quality Ratio, Inflation Rate and Interest Rates have no significant impact on the profitability of deposit money banks in Nigeria.

Based on the findings of the study, it is hereby recommended that bank management have to devise new methods of enhancing the capital adequacy ratio and reducing the liquidity ratio of the banks. Also government has to create the

enabling environment by providing the necessary infrastructures to attract investments to boost the GDP the more.

Furthermore, efforts should be made to ensure that the prevailing credit policy of the Central Bank of Nigeria must be fully observed in considering credit request from customers to reduce default in loan refund in the Nigerian banking industry.

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APPENDIX A

Population of the Study

1. Access Bank Plc
2. Citibank Ltd
3. Diamond Bank Plc
4. Eco-Bank Plc
5. Fidelity Bank Plc
6. First Bank
7. First City Monument Bank
8. Guaranty Trust Bank Plc
9. Enterprise Bank Plc
10. Keystone Bank Plc
11. Mainstreet Bank Plc
12. Skye Bank Plc
13. Stanbic IBTC Plc
14. Standard Charter Bank Ltd
15. Sterling Bank Plc
16. Union Bank Plc
17. United Bank for Africa Plc
18. Unity Bank
19. Wema Bank Plc
20. Zenith Bank Plc

APPENDIX B

Sample of the Study

1. Access Bank Plc
2. First Bank Plc
3. Guaranty Trust Bank Plc
4. Union Bank Plc
5. United Bank for Africa Plc
6. Zenith Bank Plc
7. Sterling Bank Plc

APPENDIX C

Table 3.1 Annual Report and Accounts of Sampled Banks

Banks	Years	TQC	RA	LG	LR	TC	CSTF	Deposits	PA	TA	CAR	AOR	LIR	ROA	GDP	INFL	INTR
ACCES	2008	171860	896628	245836	230836	245836	137317	353746	16056	1033945	0.191674	0.061016	0.38818	0.015529	10.09807	2.714695	2.928524
	2009	173151	533657	385313	245317	385313	155676	485550	-2088	689333	0.324461	0.363331	0.320618	-0.00303	10.11848	2.631889	3.131137
	2010	182504	672259	447810	420000	447810	123957	554612	7727	796216	0.271479	0.062102	0.223502	0.009705	10.43365	2.4681	3.084201
	2011	187037	1361087	576228	516000	576228	267917	1236931	5248	1629003	0.137417	0.104521	0.216598	0.003222	10.52967	2.332144	3.109953
	2012	237624	1340179	604073	570000	604073	405292	1298374	35815	1745471	0.177308	0.056405	0.312154	0.020519	10.61014	2.484907	3.206398
GTB	2013	245181	1396007	786169	730000	786169	439459	1403565	26211	1835466	0.17563	0.071446	0.313102	0.01428	10.65481	2.079442	3.216473
	2008	177990	612797	416318	413248	416318	290396	470605	28315	959183	0.290455	0.007374	0.61707	0.02952	10.09807	2.714695	2.928524
	2009	187101	768348	574586	570415	574586	255944	666921	28603	1066503	0.243511	0.007259	0.38377	0.026819	10.11848	2.631889	3.131137
	2010	210608	894978	603906	603906	603906	273074	753088	39604	1168052	0.235322	0.007521	0.362606	0.033906	10.43365	2.4681	3.084201
	2011	228391	1249813	706893	706893	706893	349060	1026119	51741	1608652	0.18274	0.008775	0.340175	0.032164	10.52967	2.332144	3.109953
UNITY	2012	280558	1458021	779050	749999	779050	276856	1148197	87295	1734877	0.192424	0.03729	0.241122	0.050318	10.61014	2.484907	3.206398
	2013	327269	1795451	1002370	985680	1002370	307395	1427493	90023	2102846	0.182277	0.016651	0.215339	0.04281	10.65481	2.079442	3.216473
	2008	18794	57411	101883	44294	101883	200525	320139	-13242	257936	0.327359	0.565246	0.626369	-0.05134	10.09807	2.714695	2.928524
	2009	7183	296099	140290	120894	140290	69762	214820	-16912	365861	0.024259	0.138256	0.324746	-0.04623	10.11848	2.631889	3.131137
	2010	43201	254989	116688	106198	116688	49055	222145	12415	304044	0.169423	0.089898	0.220824	0.040833	10.43365	2.4681	3.084201
FBN	2011	43821	284190	117875	105600	117875	88736	266877	2693	372926	0.154196	0.104136	0.332498	0.007221	10.52967	2.332144	3.109953
	2012	51457	340888	189041	160800	189041	54832	270060	6180	395720	0.15095	0.149391	0.203036	0.015617	10.61014	2.484907	3.206398
	2013	28212	191305	195229	185035	195229	212324	303270	-22582	403629	0.147471	0.052216	0.700115	-0.05959	10.65481	2.079442	3.216473
	2008	351854	763524	740397	715000	740397	764710	855291	36679	1528234	0.460829	0.034302	0.894093	0.024001	10.09807	2.714695	2.928524
	2009	337405	1087766	1586833	1915000	1586833	922148	1364866	3622	2009914	0.310182	-0.20681	0.675633	0.001802	10.11848	2.631889	3.131137
ZENIT	2010	400447	2279314	1735761	1620450	1735761	75517	1447600	29177	2354831	0.175688	0.066433	0.052167	0.01239	10.43365	2.4681	3.084201
	2011	367091	2662465	1715482	1600350	1715482	199228	1951011	18638	2861693	0.137876	0.067113	0.102115	0.006513	10.52967	2.332144	3.109953
	2012	438767	2927852	1981230	1879355	1981230	300532	2395148	76801	3228384	0.14986	0.05142	0.125475	0.023789	10.61014	2.484907	3.206398
	2013	467271	3276767	2199716	1380416	2199716	594234	2929081	70631	3871001	0.142601	0.372457	0.202874	0.018246	10.65481	2.079442	3.216473
	2008	344347	609147	455324	436336	455324	1177853	1188876	51993	1787000	0.565294	0.041702	0.990728	0.029095	10.09807	2.714695	2.928524
UBA	2009	345891	963995	707602	692225	707602	702724	1178188	26049	1666719	0.35881	0.021731	0.596445	0.015629	10.11848	2.631889	3.131137
	2010	372190	1066260	754024	708115	754024	840060	1319762	37823	1906320	0.349061	0.060885	0.636524	0.019841	10.43365	2.4681	3.084201
	2011	394268	1358249	893834	860114	893834	968446	1655458	48704	2326695	0.290277	0.037725	0.585002	0.020933	10.52967	2.332144	3.109953
	2012	462956	1420808	989814	965634	989814	1183699	1929244	100681	2604504	0.32584	0.024429	0.613556	0.038656	10.61014	2.484907	3.206398
	2013	509251	1696112	1251355	1215450	1251355	1447021	2276755	95318	3143133	0.300246	0.028693	0.635563	0.030326	10.65481	2.079442	3.216473
STELG	2008	193041	641508	447618	445496	447618	1031483	1333289	40825	1672991	0.300918	0.004741	0.773638	0.024402	10.09807	2.714695	2.928524
	2009	186829	1438026	606616	600420	606616	110255	1261457	2375	1548281	0.12992	0.010214	0.087403	0.001534	10.11848	2.631889	3.131137
	2010	153025	1213788	590797	540900	590797	385397	1287175	-1944	1599185	0.126072	0.084457	0.299413	-0.00122	10.43365	2.4681	3.084201
	2011	150940	1486217	605627	596600	605627	434218	1466149	-6800	1920435	0.10156	0.014905	0.296162	-0.00354	10.52967	2.332144	3.109953
	2012	192467	1558808	658922	648940	658922	714115	1777912	54766	2272923	0.123471	0.015149	0.401659	0.024095	10.61014	2.484907	3.206398
ACCES	2013	235036	1925493	937620	925780	937620	716803	2221795	46601	2642296	0.122065	0.012628	0.322623	0.017637	10.65481	2.079442	3.216473
	2008	30238	220553	65787	2125	65787	16149	184730	6523	236502	0.137101	0.967699	0.087419	0.027581	10.09807	2.714695	2.928524
	2009	22141	197067	78140	4140	78140	8573	160470	-6660	205640	0.112353	0.947018	0.053424	-0.03239	10.11848	2.631889	3.131137
	2010	26320	252919	99312	5975	99312	6660	199274	4178	259579	0.104065	0.939836	0.033421	0.016095	10.43365	2.4681	3.084201
	2011	41057	467238	162063	8452	162063	36810	392049	6908	504048	0.087872	0.947847	0.093891	0.013705	10.52967	2.332144	3.109953
ACCES	2012	46642	516603	229420	10420	229420	63622	463726	6953	580225	0.090286	0.954581	0.137197	0.011983	10.61014	2.484907	3.206398
	2013	63457	610897	321748	20642	321748	96900	570511	8274	707797	0.103875	0.935844	0.169848	0.01169	10.65	2.079442	3.216473

Source: CBN Statistical Bulletin and Annual Report and Accounts of Sampled Banks (2008-2013)

Determinants of Profitability in the Nigerian Deposit Money Banks

APPENDIX D

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.641 ^a	.410	.309	.01931	.410	4.058	6	35	.003	1.564

a. Predictors: (Constant), INTR, AQR, CAR, INFL, LIR, GDP

b. Dependent Variable: ROA

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.009	6	.002	4.058	.003 ^a
	Residual	.013	35	.000		
	Total	.022	41			

a. Predictors: (Constant), INTR, AQR, CAR, INFL, LIR, GDP

b. Dependent Variable: ROA

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.719	.336		-2.140	.039		
	CAR	.174	.050	.822	3.464	.001	.299	3.342
	AQR	-.017	.011	-.237	-1.551	.130	.721	1.387
	LIR	-.065	.023	-.684	-2.839	.007	.291	3.442
	GDP	.080	.028	.780	2.865	.007	.227	4.397
	INFL	.031	.028	.277	1.105	.277	.269	3.723
	INTR	-.061	.050	-.254	-1.226	.228	.393	2.547

a. Dependent Variable: ROA