

**MEGA BANKING MERGERS AND GLOBAL POSIITON  
ANALYSING THE ROLE OF BANKING COALESCENCE IN  
STRENGTHENING INTERNATIONAL PRESENCE OF  
INDIAN BANKS**

Thesis Submitted for the Award of the Degree of

**DOCTOR OF PHILOSOPHY**

**in**

**Management**

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**2025**

## **DECLARATION**

I, hereby declare that the presented work in the thesis titled “Mega banking mergers and global position: Analysing the role of banking coalescence in strengthening international presence of Indian banks” in fulfilment of degree of **Doctor of Philosophy (Ph.D.)** is the outcome of research work carried out by me under the supervision of Dr. Rupesh Roshan Singh, Professor, Mittal School of Business, Lovely Professional University, Punjab, India. In keeping with general practice of reporting scientific observations, due acknowledgements have been made whenever work described here has been based on findings of other investigator. This work has not been submitted in part or full to any other University or Institute for the award of any degree.

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## **CERTIFICATE**

This is to certify that the work reported in the Ph.D. thesis titled “Mega Banking Mergers and Global Position: Analysing the Role of Banking Coalescence in Strengthening International Presence of Indian Banks” submitted in fulfilment of the requirement for the award of degree of **Doctor of Philosophy (Ph.D.)** in Mittal School of Business, is a research work carried out by Samkutty Samueal, Registration No.41900733, is bonafide record of his original work carried out under my supervision and that no part of this thesis has been submitted for any other degree, diploma or equivalent course.

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## **ABSTRACT**

The Indian banking sector has experienced significant mergers since the nationalization of banks in 1969. Between nationalization and the economic reforms of 1991, 12 bank mergers took place. From 1991 to 2016, an additional 27 mergers occurred, primarily to rescue weaker banks or reorganize subsidiaries. In 2017, the successful merger of SBI with its associate banks marked a milestone, followed by the merger of Dena Bank and Vijaya Bank with Bank of Baroda.

The Committee on Banking Sector Reforms recommended restructuring the Indian banking sector into a four-tier hierarchy, aiming for a landscape that would support both national and international banking operations. The vision proposed three to four large banks, including the State Bank of India (SBI) with a global presence, followed by national, regional, and rural banks to meet diverse financial needs across the country. Subsequent recommendations, like those from the P. J. Nayak Committee in 2014, suggested mergers to enhance productivity within public sector banks. Accordingly, mega mergers, or consolidations of multiple banks into larger entities, became a key strategy in achieving better global rankings, strengthening the financial system, and fostering economic growth.

A mega bank merger, is seen as a transformative move in the banking sector. Benefits include higher profitability, reduced operational costs, and stronger brand image due to improved rankings based on assets, market capitalization, and customer satisfaction. Global economic integration, the advent of multi-product financial services, and rising non-performing assets have further motivated these mergers as a solution to underutilized funds and credit deposit challenges. Additionally, stricter capital requirements and limited government capital infusions have encouraged consolidation.

Finance Minister Nirmala Sitharaman announced on August 31, 2019, the consolidation of 10 public sector banks (PSBs) into four major banks. This move aimed to create globally competitive banks capable of providing enhanced services. The resultant mergers, effective from April 1, 2020, saw Oriental Bank of Commerce and United Bank of India merge with Punjab National Bank, Andhra Bank and Corporation Bank with Union Bank of India, Syndicate Bank with Canara Bank, and Allahabad Bank with Indian Bank. This restructuring was supported by shared government ownership, a unified pay structure and compatible core banking systems, which facilitated smooth integration.

The long-term vision for these mergers is to enhance banking capabilities and expand into new markets, providing a stable foundation for the Indian banking sector to thrive on a global scale. By consolidating resources and streamlining operations, these mergers aim to create a robust and resilient banking environment better equipped to meet the demands of modern financial ecosystems.

The global ranking of banks is assessed primarily by total assets, alongside factors like tier 1 capital, market capitalization, and operational efficiency. International agencies like Moody's and Fitch Ratings periodically evaluate and rank banks, while *The Banker* publishes an annual list of the top 1,000 global banks. As of 2022, SBI and HDFC Bank ranked 60th and 120th, respectively. Given the vital role of banking in economic growth, mergers and acquisitions drive expansion and support weak banks. While many studies have explored mergers' financial impacts, there remains limited research on their role in strengthening international presence, especially post-2019.

This study collects data through primary and secondary sources. Primary data involves quantitative questionnaires and qualitative interviews with banking professionals, while secondary data includes RBI reports, bank annual reports, and global agency publications. The study's data collection methods include questionnaires, interviews, observations, and secondary sources. Thematic analysis, based on 15 open-ended questions, involved responses from economists and top banking professionals on the topic of mega banking mergers and the role in enhancing the international presence of Indian banks. Initial coding was conducted to organize and simplify data into relevant segments, using open coding to allow themes to emerge naturally. These themes, along with subheadings, structure the final analysis, aligning responses with the study's central research questions.

The study's findings reveal that stakeholders generally view mergers positively in the banking sector, recognizing their potential to enhance financial efficiency, asset quality, and digital transformation. However, concerns were raised regarding regulatory, political, and asset-quality impacts. While many professionals those involved noted integration challenges, especially with human resources. Factors influencing merger decisions include economic, technological, and regulatory pressures, with mergers enhancing competitiveness and reducing

government dependency. Although customer experiences improved in efficiency and technology, concerns emerged over reduced competition, branch closures, and job security, highlighting communication and support needs during transitions.

This study highlights key insights for policymakers, banking professionals, and the public regarding mergers in the banking sector. For policymakers, ensuring balanced competition, consumer protection, and improved organizational change management is crucial. Banking professionals are encouraged to focus on employee integration, customer experience, and adapting strategies to different regions and market demands. The public generally views mergers favourably for operational efficiencies and service innovations, though concerns about reduced competition persist. Ultimately, mergers can strengthen the banking sector, but challenges like monopolistic tendencies, cultural integration, and ensuring customer benefits must be carefully managed.

Effective strategies are essential for successful mergers in banking. Clear communication about the merger's purpose helps build trust and mitigate concerns. Engaging customers and employees minimize disruptions, while continuous communication fosters acceptance of training and change. Establishing change management teams and strict compliance monitoring are crucial. Technology adoption improves efficiency, and corporate social responsibility (CSR) enhances public image. Longitudinal studies on competitive impact provide further insights, positioning banks for sustainable success.

Future research on mergers in the banking sector should address several gaps to enhance understanding of long-term impacts. Such research should highlight the importance of examining how mergers affect customer and employee satisfaction and operational efficiency over extended periods. These studies would allow for analysis of shifts in customer and employee attitudes post-merger and their effect on institutional efficiency. Research should also focus on international operations, particularly following recent consolidations in Indian public sector banks, to assess mergers' impact on global positioning. A broader demographic, including rural and less-educated populations, would provide diverse perspectives on M&A outcomes. Additionally, cross-sectional studies comparing multiple countries and regions would yield insights into mergers determinants, risks, and opportunities globally. These approaches would enrich existing knowledge and support policymakers and industry leaders in shaping effective future strategies for merger.

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# CHAPTER - 1

## INTRODUCTION

### 1.1 Banking Merger

Merger means combination of two or more companies into one company. As per Accounting Standards the terms merger and amalgamation are used in the same sense, (AS 14). “Banking means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise” (The Banking Regulation Act 1949, Part I, 5 (b)). “Banking company means any company which transacts the business of banking” (The Banking Regulation Act 1949, Part I 5 (c)).

Merger of banks is the process of consolidating the assets and liabilities of two or more banking companies. Three main reasons for implementing banking merger by the government are either to create big banks to combat international competition or to support weak banks and or to achieve a faster growth (Kumar, S., 2015). Merger is used to satisfy the desire for progression and development of business and to expand the customer base (Sengar N, et al., 2021). Merger is aimed to upgrade to new technology and thereby enhance customer base and improve customer service (Tambunan, D., et al., 2021). Financial crisis in the U.S. during the year 2008-09 triggered bank mergers in a large scale and majority of them were regulatory mergers (Mamun, A., et al., 2021). Consolidation of Indian banks is with an aim to create globally competitive banks (Kasliwal, S and Gupta, D.K., 2021). Achievement of long-term sustainability, elimination of competition, attainment of economies of scale and access to expanded market are the main reasons for companies opting for a merger (Syed, A.A., et al., 2020). Merger and acquisitions are for achieving noteworthy development in the company and to reduce expenses considerably (Rameshbhai, G. M., 2016). As per the findings of the study by Nagalekshmi, V.S & Das, V.S., (2018), merger enhances efficiency, boosts resources, and brings in competitive advantage in terms of technology, market share and infrastructure.

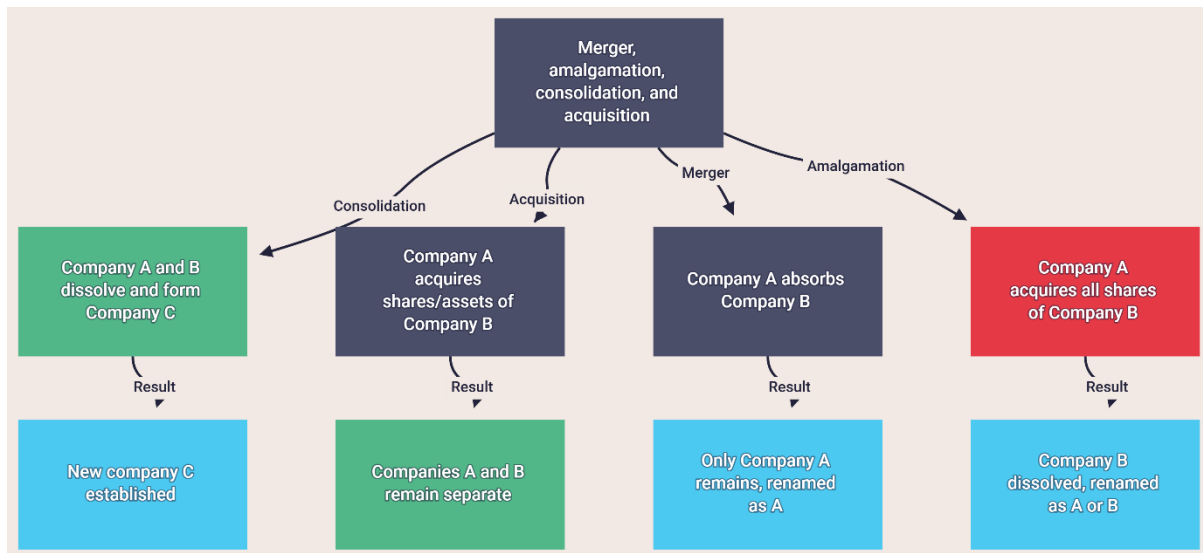
The mergers and acquisitions are mainly executed to augment the monetary and accounting attributes by improving cash flows and for capturing the market by the combined firm (Devos, E., et al. 2008). Mergers and acquisitions are mainly executed by businesses to expand their working and to acquire new working opportunities, but it also creates issues of compliance among the merged institutions. It is because post-merger, the risk-taking abilities of the newly

formed organization differentiates and often results in uncertainty, friction, stress and chaos which need to be addressed strategically to bring out positive results of merger (Schweiger, D., et al.1991).

Merger, amalgamation, and consolidation are commonly used in the same sense and with a friendly and positive meaning of blending or uniting two or more things, particularly companies to create a strong and viable merged entity. Words like takeover and acquisition are also actions of combining of two or more companies, but used with a negative meaning in the sense that takeover and acquisition are hostile where one company is dominating over the other company or companies. However, the term merger is used even for an acquisition or takeover in order to ease out any fears of takeovers (Junni, P and Teerikangas, S., 2019).

**Table 1.1: Merger, Amalgamation, Consolidation, and Acquisition**

|               | Old Company No.1 | Old Company No.2 | Action                                                                                                                                                       | New Company |
|---------------|------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Merger        | A                | B                | Company A absorbs company B, leaving only company A in existence after the merger                                                                            | A           |
| Amalgamation  | A                | B                | Company A acquires generally all shares of company B, usually dissolving company B with A or vice versa                                                      | A or B      |
| Consolidation | A                | B                | Company A and company B dissolves and re- establishes as a new company C                                                                                     | C           |
| Acquisition   | A                | B                | Company A acquires whole or part of the shares or assets of company B and control over the management of company B. Later, they remain as separate entities. | A and B     |



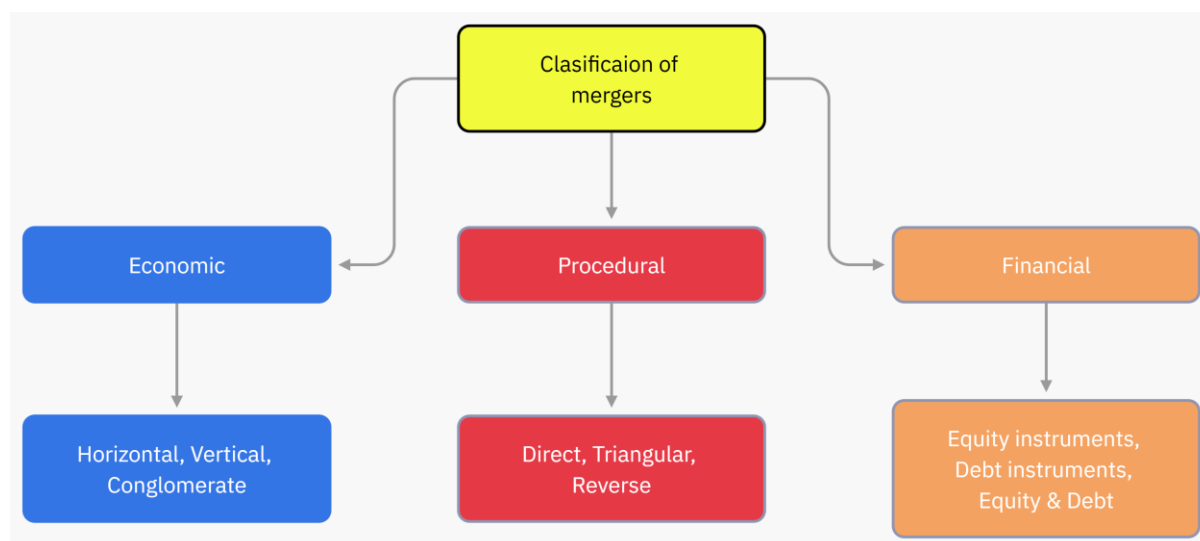
**Figure 1.1: Merger, Amalgamation, Consolidation and Acquisition**

Bank mergers are prevalent in the financial sector of any country. In today's globalized economy, the significance of merger of banks is risen up. Banks world over is focusing on to build a strong financial base, mitigate risks, provide various new products and services to its customers, reap the benefits of economies of scale and economies of scope, enlarge its presence beyond the boundaries and to increase its business and profit. Merger is applied as a strategic path to achieve these objectives.

## 1.2 Classification of mergers

Merger of an organisation can be classified based on different perspectives viz. economic, procedural, or financial. Horizontal, vertical, and conglomerate mergers are termed as the economic perspective of merger. Direct, triangular, and reverse mergers are of procedural mergers. Financial perspective of merger is concerned with how the ownership of the merged entity is shared by the interested parties; either through issue of debt instruments or equity shares or in a combination of debt and equity. Horizontal merger happens when companies engaged in the same line of business joins together to expand their market share and thereby achieve economies of scale. Vertical merger occurs when a company acquires another company engaged in a different line of business, but within the same production chain to enjoy better control of production and for reducing cost of production. If a company acquires another company engaged in a different line of business, it is known as conglomerate merger. This will help in diversifying the activities and to reduce instability of cashflows of the group. Direct merger, also known as forward merger in which the existence of the target company ceases as it is absorbed with the buying company. Triangular merger involves three companies; the

buying company, its subsidiary, and the target company. If the target company is merged with the subsidiary company of the buying company, it is known as forward triangular merger. On the other hand, if the subsidiary company is merged with the buying company, it is known as reverse triangle merger.



**Figure 1.2: Classification of mergers**

### 1.3 Merger of Indian banks

Indian banking sector has seen major mergers after nationalisation of banks in the year 1969. There were 12 bank mergers from nationalisation till the economic reforms of 1991. From the period of economic reforms, till the year 2016, there were 27 bank mergers. Majority of these mergers were for saving a weak bank or executed as part of a reorganisation of associate / subsidiary bank. Thereafter in the year 2017, merger of associate banks with SBI completed with great success, followed by merger of Dena bank and Vijaya bank with Bank of Baroda. Merger of banks is beneficial for the new entity in terms of profitability and return (Sengar, N et al. 2021). Market driven mergers proved to be more successful than forced mergers (Neeraj, K., et al. 2019, Nirmala, M and Padmanaba, A.S., 2017). Details of Indian bank mergers are given below.

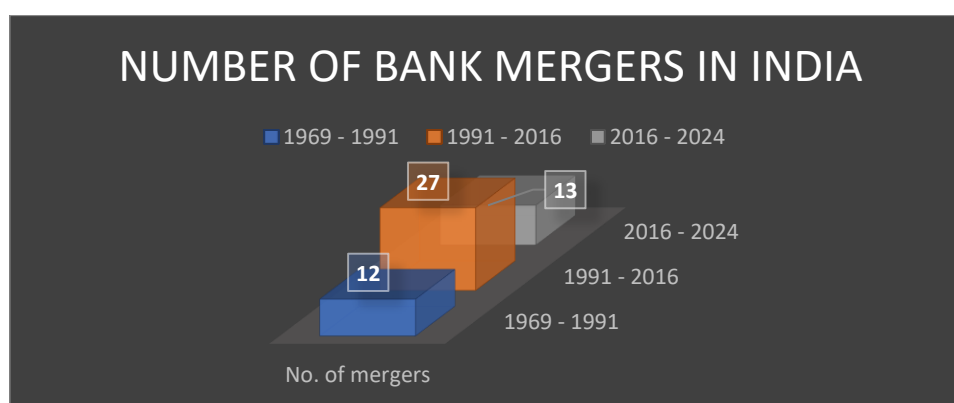
**Table 1.2: List of Bank Mergers in India from Globalisation**

| Sl. No. | Name of the Acquirer Bank | Name of the Bank Acquired | Year |
|---------|---------------------------|---------------------------|------|
| 1       | Punjab National Bank      | New Bank of India         | 1993 |

|    |                           |                                |      |
|----|---------------------------|--------------------------------|------|
| 2  | Bank of India             | Bank of Karad Ltd              | 1994 |
| 3  | State Bank of India       | Kashinath State Bank Ltd       | 1995 |
| 4  | Oriental Bank of Commerce | Punjab Co-operative Bank Ltd   | 1996 |
| 5  | Oriental Bank of Commerce | Bari Doab Bank Ltd             | 1997 |
| 6  | Union Bank of India       | Sikkim Bank Ltd                | 1999 |
| 7  | Bank of Baroda            | Bareilly Corporation Bank Ltd  | 1999 |
| 8  | HDFC Bank Ltd             | Times Bank Ltd                 | 2000 |
| 9  | ICICI Bank Ltd            | Bank of Madura Ltd             | 2001 |
| 10 | Bank of Baroda            | Benares State Bank Ltd         | 2002 |
| 11 | ICICI Bank Ltd            | ICICI Ltd                      | 2002 |
| 12 | Punjab National Bank      | Nedungadi Bank Ltd             | 2003 |
| 13 | Oriental Bank of Commerce | Global Trust Bank Ltd          | 2004 |
| 14 | Bank of Baroda            | South Gujarath Local Area Bank | 2004 |
| 15 | Bank of Punjab            | Centurian Bank Ltd             | 2005 |
| 16 | IDBI Ltd                  | IDBI Bank                      | 2005 |
| 17 | IDBI Ltd                  | United Western Bank            | 2006 |
| 18 | Bank of Baroda            | Nainital Bank                  | 2006 |
| 19 | Federal Bank              | Ganesh Bank of Kurandwad       | 2006 |
| 20 | Centurian Bank of Punjab  | Lord Krishna Bank              | 2006 |
| 21 | Indian Overseas Bank      | Bharath Overseas Bank          | 2007 |
| 22 | ICICI Bank Ltd            | Sangli Bank                    | 2007 |
| 23 | HDFC Bank Ltd             | Centurian Bank of Punjab       | 2008 |
| 24 | State Bank of India       | State Bank of Saurashtra       | 2008 |

|    |                      |                                                  |      |
|----|----------------------|--------------------------------------------------|------|
| 25 | State Bank of India  | State Bank of Indore                             | 2009 |
| 26 | ICICI Bank Ltd       | Bank of Rajasthan Ltd                            | 2010 |
| 27 | Kotak Mahindra Bank  | ING Vysya Bank                                   | 2014 |
| 28 | State Bank of India  | State Bank of Patiala                            | 2017 |
| 29 | State Bank of India  | State Bank of Mysore                             | 2017 |
| 30 | State Bank of India  | State Bank of Hyderabad                          | 2017 |
| 31 | State Bank of India  | State Bank of Bikaner and Jaipur                 | 2017 |
| 32 | State Bank of India  | State Bank of Travancore                         | 2017 |
| 33 | State Bank of India  | Bhartiya Mahila Bank                             | 2017 |
| 34 | IDFC Bank            | Capital First                                    | 2018 |
| 35 | Bank of Baroda       | Vijaya Bank & Dena Bank                          | 2019 |
| 36 | Punjab National Bank | Oriental Bank of Commerce & United Bank of India | 2019 |
| 37 | Union Bank of India  | Andhra Bank & Corporation Bank                   | 2019 |
| 38 | Canara Bank          | Syndicate Bank                                   | 2019 |
| 39 | Indian Bank          | Allahabad Bank                                   | 2019 |
| 40 | HDFC Bank            | HDFC                                             | 2023 |

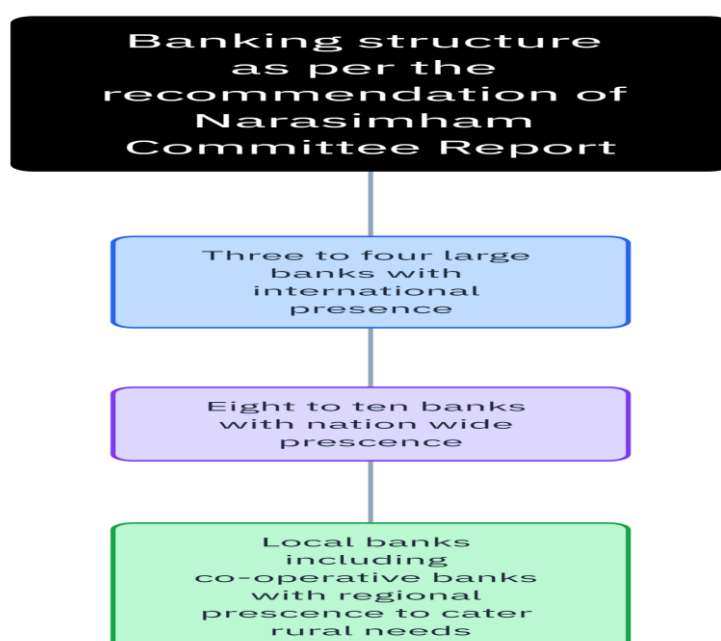
Source: Reserve Bank of India



**Figure 1.3: Number of bank mergers in India**

## 1.4 Mega bank mergers

Committee on Banking Sector Reforms recommended to restructure banking landscape in India by establishing a four-tier hierarchy of banking structure. There should be 3 to 4 large banks including State Bank of India (SBI) at the top with international presence, followed by 8 to 10 national banks with nationwide presence, local banks concentrate on region specific banking and rural banks at the bottom (Narasimham Committee Report, 1991). P. J. Nayak Committee report to review governance of boards of banks in India recommended merger as one of the options to improve productivity of public sector banks in India (P J Nayak Committee Report, 2014).



**Figure 1.4: Banking structure as per Narasimham Committee report**

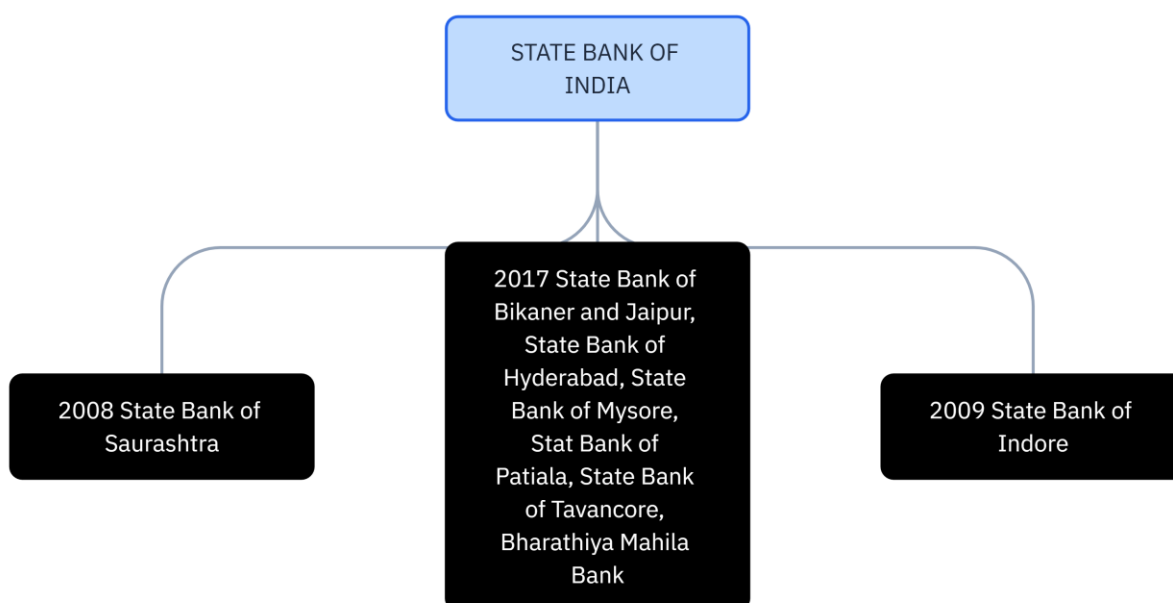
Mega bank merger of banks connotes consolidation of a greater number of banks in to one or more number of banks. Mega merger of banks results in an improved global ranking of the merged entity, enriched rating of the country, an enhanced economic growth and build a robust financial system. Global position of banks is determined on various factors like total assets, market capitalisation, tier I capital, customer satisfaction, technological advancement, and brand image. Bank merger augments performance of banks and wealth for both business and owners (Natarajan et al; 2011). Bank amalgamation results in the growth of performance of banks (Umoren. 2007). Operating performance of banks in Greece does not progress even after mergers (Panayiotis et.al; 2011). Mergers and acquisitions have been noted to be the most popular means of external growth practiced by financial institutions. Mergers should be

studied in the long term with the consideration of firm goals and performance as well as other economic yard sticks (Tarila et.al; 2019).

Merger of banks with assets more than one billion US dollar is considered as mega merger of banks (Akhavain, J.D, et al., 1997). Mega merger gets wide publicity and significance due to the amount involved in the merger deal and its implication in the economy (Junni, P and Teerikangas, S., 2019). Merger of more than two banks with an aim to create a sea change in the financial sector of any country can be termed as mega bank mergers.

Mega bank mergers are often used as a strategy for reducing cost and increasing profit. Also, under- utilisation of funds or in other words, low credit deposit ratio of banks often resulted in mega merger. Opening up of the economy, globalisation, abolition of trade barriers and bank's urge to convert themselves to showcase all financial products of banking, insurance, mutual funds and stocks under one roof are the main reasons for banks to favour with mega merger (Elfakhani, S., et al., 2003). Mounting Non-Performing Assets (NPAs), constantly diminishing capacity of banks to lend more money due to stringent capital adequacy norms, reducing the quantum of capital infusion to the banks by the government and to make weak banks stronger are the main reasons for adopting mega merger of Indian banks (Sharma, A. 2020). Mishra, I., et al., (2022) while analysing the mega merger of the associate banks of SBI and Bharatiya Mahila Bank with SBI has concluded that the objectives of SBI merger was to attain world-wide reach, achieving improved synergy, lessening of cost to income ratio and for improving the performance of combined treasury functions. Mega merger of banks is implemented with an aim to enlarge banks reach, move into new business activities, and secure larger market share (Ishwarya, J., 2019).

Merger of banks is not a new phenomenon to Indian banking. However, mega merger is of a new experience in India. Merger of seven associate banks into State Bank of India (SBI) executed in three phases was the first large bank merger in the Indian banking history. In the first phase, State Bank of Saurashtra merged in the year 2008, in the second phase, State Bank of Indore in the year 2009 and in the third phase, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore and Bharatiya Mahila Bank merged with SBI in the year 2017 (GOI Gazette notification dated February 22, 2017). As this was consolidation of associate banks with SBI, it was not widely referred to as a mega merger. Another major consolidation of banks in Indian banking sector was the merger of Vijaya Bank and Dena Bank into Bank of Baroda (BOB) on April 01, 2019.



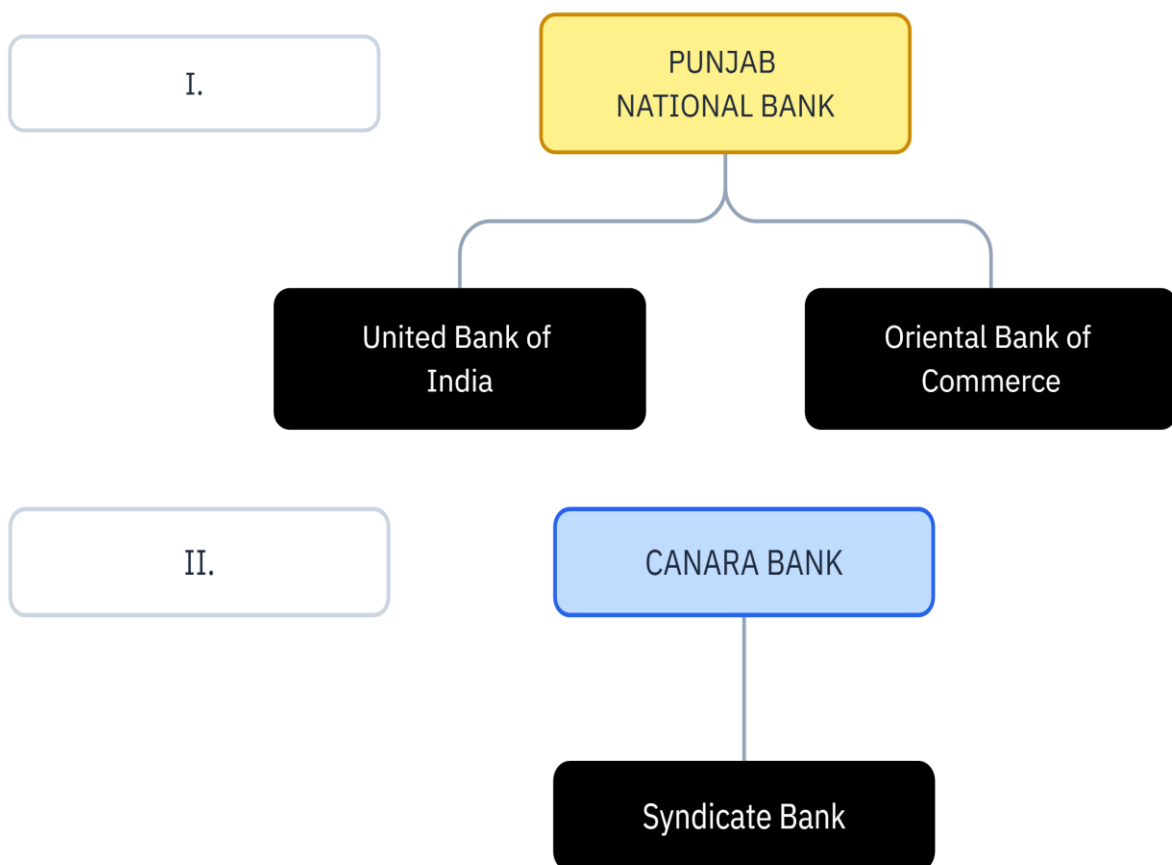
**Figure 1.5 Merger of associate banks of SBI with State Bank of India**

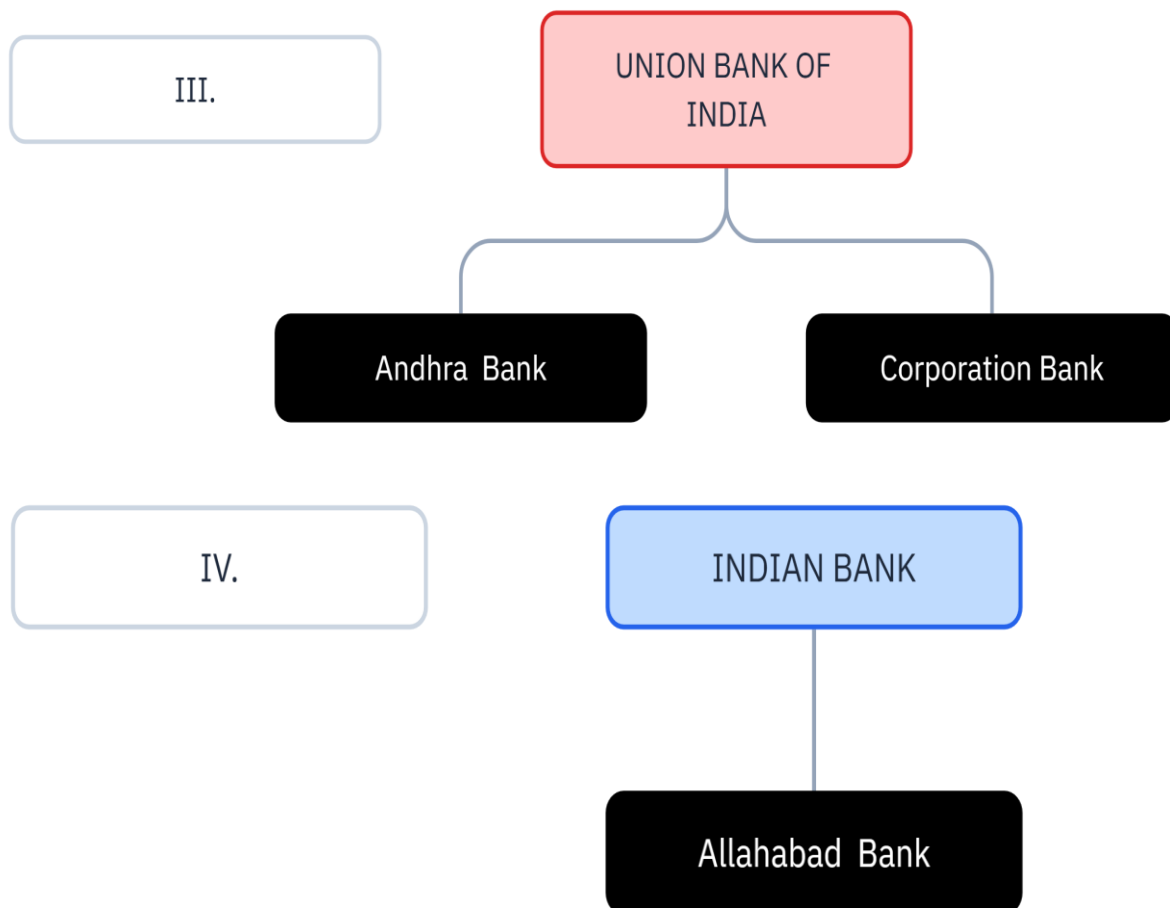
The success of two mergers of SBI and BOB encouraged the government to go ahead with the plan of mega merger of ten Public Sector Banks (PSBs) and the creation of 4 large powerful next generation globalized banks with strong national and global presence. The Finance Minister of India Ms. Nirmala Sitharaman, on August 31, 2019 has announced mega banking mergers to strengthen the PSBs and improve their working in financial terms. The declaration includes consolidation of 10 Public Sector Banks (PSBs) and the creation of 4 large banks so that the aim of providing powerful globalized banks services to the consumers will be fulfilled. Accordingly, on April 01, 2020, four mega banks came into existence as follows: - (i) Oriental Bank of Commerce and United Bank of India merged into Punjab National Bank, (ii) Andhra Bank and Corporation Bank merged into Union Bank of India, (iii) Syndicate Bank merged into Canara Bank and (iv) Allahabad Bank merged into Indian Bank (GOI Gazette, 2020). Factors like government ownership, similar pay structure and career progression avenues for staff, and common core banking solutions helped smoothen the operationalization of the merger.

**Table 1.3: Merger of SBI & Mega Bank Mergers**

| State Bank of India      | Punjab National Bank      | Canara Bank    | Union Bank of India | Indian Bank    |
|--------------------------|---------------------------|----------------|---------------------|----------------|
| State Bank of Saurashtra | Oriental Bank of Commerce | Syndicate Bank | Andhra Bank         | Allahabad Bank |

|                                  |                      |  |                  |  |
|----------------------------------|----------------------|--|------------------|--|
| State Bank of Indore             | United Bank of India |  | Corporation Bank |  |
| State Bank of Patiala            |                      |  |                  |  |
| State Bank of Mysore             |                      |  |                  |  |
| State Bank of Hyderabad          |                      |  |                  |  |
| State Bank of Bikaner and Jaipur |                      |  |                  |  |
| State Bank of Travancore         |                      |  |                  |  |
| Bhartiya Mahila Bank             |                      |  |                  |  |





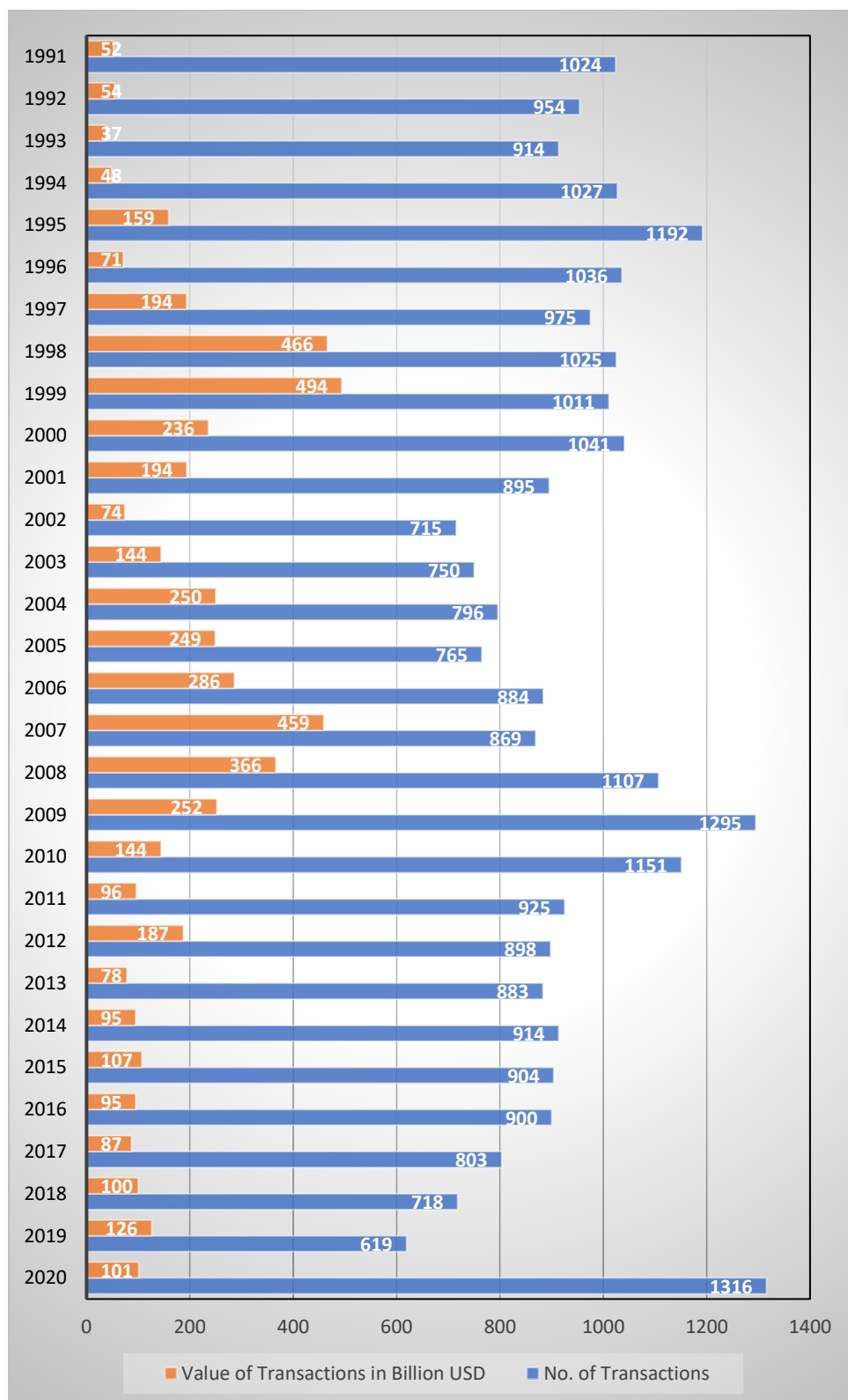
**Figure 1.6 Mega bank mergers- PNB, Canara Bank, UBI and Indian Bank**

Mega merger of PSBs is the right action taken by the Government to strengthen the banking sector by control of NPAs and increase credit growth, to improve its global reach and greater presence for international trade (Madray, J.K., and Kamal, R., 2020). Merged big banks are not able to serve the customers as done by the small banks before the merger and also integration of technology and human capital pose a great challenge to the merged banks (Prajeesh, P., and Kavitha, S., 2020). Creation of big banks by mega merger is prone to non-diversification risks (Reddy, P.J., and Chandra, M., 2020). Mega merger of banks facilitated in strengthening the capital base and for fulfilling the statutory standards (Dilip, K.G.D. and Sapna, K., 2021). Merger is beneficial as it reduces unhealthy competition, helps in effective utilisation of resources and infrastructure and expanding its business (Kumar N et al., 2019).

### **1.5 Merger of banks in the global context**

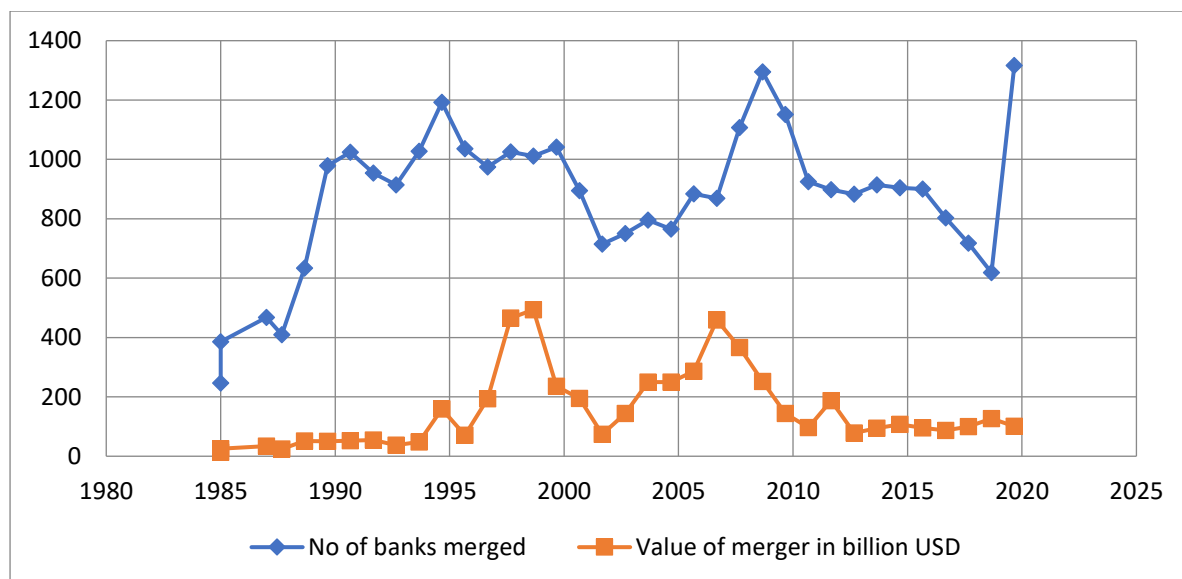
Globally, merger of banks is an experience of developing economy or as an occurrence of an aftermath of financial crisis. Banks in USA passed through various statutory regulations, deregulation, that accelerated mergers. The winds of globalisation, financial deregulation, growth

of information technology and the issues of ‘millennium bug’ popularly known as ‘Y2K’ was the cause of many bank mergers during the fag end of the last century; particularly from the year 1998 to 2000. Subprime mortgage crisis that hit the US banking sector during 2007 - 2010 made havoc not only in the US, but globally. This caused collapse of many big banks around the world, followed by many bank mergers in America and Europe to save the ailing banks and for safeguarding the interest of depositors and the economy. Large number of merger of banks took place during this period globally. China adopted merger towards creating big banks to ease the process of lending to big companies and for expanding their trade and business around the globe. Year wise global bank merger statistics of number of transactions and value of transactions from 1991 to 2020 is given in the diagram below.



**Figure 1.7: Global Bank Merger Statistics**

(Source: Institute for Merger & Acquisitions and Alliances)



**Figure 1.8: Global Bank Merger Statistics**

(Source: Institute for Merger & Acquisitions and Alliances)

Bank mergers are taking place in every country due to various reasons. Merger of banks are closely related to industrialization and economic growth of a country or due to financial sector crisis or economic reforms. In the United States of America (USA), industrial sector witnessed tremendous growth during the year 1929 to 1948. Assets of top 100 companies grew at 160%, however banks were not able to provide the required financial support to the industrial needs as their lending capacity to one corporate is statutorily limited to 10% of their capital. This necessitated merger of banks to augment their lending capacity. Thereafter, US banking was functioned under stringent regulation. However, oil sector crisis in 1980s and deregulation during 1990s bring forth many bank mergers and consolidation of banking, insurance and investment companies to function under one roof. Real estate crisis hit the US and other western countries during 2000s resulted in many bank mergers and acquisitions. Regulatory mergers of US banks after the financial crisis have shown cost reduction and higher profitability than their peers (Mamun, A et.al 2021). There is a close connection between trade credit and merger of US firms; companies with huge trade credit are the acquirers (Hu, M., et al. 2020).

Study on merger of Canadian banks revealed that banks aiming for efficiency can achieve it through technological upgradations, and become large through mergers and acquisitions (Amin, G. R. and Ibn, B.M., 2020). Egyptian banks after merger have not shown any remarkable increase in profitability, but revealed slight encouraging credit risk position

(Badreldin, A. M. and Kalhofer, C., 2021). Spanish banks going through financial crisis and real estate bubble got a relief and increase in profitability after merger. Positive impact of merger includes closing unviable banks and reducing government intervention (Blanco, O.A., 2021). Profitability is not improved in Asia Pacific bank mergers due to non-performing assets; but improvement in lending capacity and capital adequacy was noticed after merger (Shirasu, Y., 2018). Strengthening banking technology was the motive behind Indonesian bank merger (Tambunan, D., et al. 2021). Vietnamese bank mergers result in an efficient new management and a new learning from the experts (Nguyen, P., et al., 2020). Cross border mergers are favourable for building up brand equity and cost benefit (Chu, Y., et al., 2021). A study on Nordic bank mergers reveals that an all-encompassing corporate ethos including human resource management, technology and customer relationship are the deciding factors of success of bank mergers (Hyder, A. S., and Osarenkhoe, A., 2018).

### **1.6 Mega merger of banks and international position of Indian banks**

Global position of banks is found out based on the parameters like total assets, tier 1 capital to asset ratio, market capitalisation, profitability, operational efficiency, asset quality, liquidity, soundness etc. However, the most accepted criteria for ranking are decided based on total assets. International rating agencies like Moody's, Standard & Poor's and Fitch Ratings are conducting periodical studies and publish the rating of banks. 'The monthly publication of The Financial Times 'The Banker' publishes every year, the top 1000 world banks in the world and also, regional and country level top banks. For the last many years, Chinese banks invariably find its place in the top positions. Based on the financials as on December 31, 2021, China has 19 banks in the list of top 100 world banks followed by USA with 12 banks. Global position of banks in a country depends on the economy and expanding markets and exports of the country (The Banker, 2022) Among the Indian banks, SBI ranked at 60<sup>th</sup> and HDFC Bank at 120<sup>th</sup> position among the top 1000 world banks 2022.

### **1.7 Purpose of the study**

The banking sector is regarded as the backbone of any economy and in India, it is growing at the fastest speed and capturing the market to meet the untapped customer's needs and demands. In such conditions, mergers and acquisitions help the banking sector to grow and expand its functionalities to new customers along with providing support to weak banks and improving their functionalities.

## **1.8 Research gap**

Most of the studies related to merger of banks were to find out the effect of merger on financial performance and strength, change in customer base and services, employee satisfaction etc. Deep research on international presence of banks after its consolidation is not yet done. Consolidation of ten PSBs into four major banks was effected on April 01, 2019 with an aim to strengthen the international presence of Indian banks. No research work on its contribution is done so far.

## **1.9 Objectives of the study**

1. To analyse mega banking mergers and global position of Indian banks
2. To evaluate the role of mega banking-mergers on banks' international presence in terms of market size
3. To examine the effect of mega banking-mergers on banks' international presence in terms of growth and expansion
4. To investigate the impact of mega banking mergers on banks' international presence in terms of infrastructural needs
5. To determine how consolidation of banks is useful for the Government, the banking professionals, and the common man

## **1.10 Significance of the study**

The study is beneficial in the future as it explores the different aspects of mega-mergers and the global position of the Indian banks. It also provides in-depth learning about the impact of mergers on their performances along with examining the challenges faced by the banks post-merger. The study is also useful as it provides valuable information about the current merger and acquisition situation in India and how it will be benefitting to the Government, banking professionals as well as the common man as a whole and at individual perspectives.

## **1.11 Organisation of the thesis**

The following chapters comprise the study, "Mega Banking Mergers and Global Position: Analysing the Role of Banking Coalescence in Strengthening International Presence of Indian Banks".

Chapter 1: The first chapter introduces banking mergers, classification of mergers, mega banking mergers, merger of banks in various continents, purpose, objectives and significance and significance of the study.

Chapter 2: The second chapter is literature review in which a detailed review of the subject is presented.

Chapter 3: The third chapter covers research problem, research questions, research design, collection tools, and the population of study.

Chapter 4: The fourth chapter covers data analysis, hypothesis of the study, analysis and assessment of the hypothesis.

Chapter 5: The fifth chapter contains findings of qualitative and quantitative analysis.

Chapter 6: The sixth chapter includes summary of findings, interpretation of results, implications for the stakeholders and addresses the research gap

Chapter 7: The seventh chapter contains conclusion of the study with practical recommendations, limitations of the study and direction for future researchers. At the end of the thesis, there is bibliography of references utilised in preparing the thesis.

## **CHAPTER -2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Literature review is the study of published research work. The study may be done from an article, a thesis, a conference proceeding or from a book. This will provide the researcher detailed information about the subject, current developments, research findings, limitations of the study and useful suggestions for an orderly knowledge building for further research. It is a starting point for the researcher to explore more on the subject especially on what was not done or overlooked earlier.

Merger is the combination of two or more companies into one for achieving various or any one of the objectives of economies of scale, economies of scope, synergy, increased market share, reducing cost etc. Merger of banks is for reinforcing capital base and for meeting Basel III norms (Kasliwal, S., and Gupta, D.K., 2021). Merger is used as a strategy for business development and progression (Rahman, Z et al. 2018).

The first part of this literature review is about merger of Indian banks followed by mega merger of banks. Thereafter, research study on merger of banks of various countries are reviewed in different groups. The classification of different countries into groups are made with reference to the region, continent, and comparable economies which is like the World Bank classification of countries for their study. The list of groups is Emerging and Developing Asian countries followed by a group of countries including the USA, Canada, Latin America, and The Caribbean Countries. Another group is European Union followed by countries in three regions of Middle East, Central Asia, and sub-Saharan Region. Lastly, cross border mergers are reviewed.

#### **2.2 Merger of Indian banks**

Merger of banks brings out many positive as well as negative results. The positive results are achieving quick inorganic growth, enhancing efficiency, improving global presence, achieving synergy in operations, obtaining economies of scale and scope, reducing NPAs, enhancing ability to lend more and take more risk, reducing expenses, creating more value, reducing competition, enabling to adopt new technologies quickly, enhancing global connectivity and diversifying of credit risk.

The negative impacts are challenges of change management, inability to meet regional needs and financial inclusion initiatives, dilution of asset portfolio and reducing CAR, increase of systemic risk of huge institutions, underutilisation of resources, stress and uncertainty, problems of work life balance and integration of human resources.

Merger is for attaining inorganic quick growth, save initial hiccups (Goyal, K.A., and Joshi, V., 2012). Post-merger efficacy of bank has enhanced as per SWOT analysis (Sengar N, et al., 2021). Forced mergers are aimed to reach out international position without much concern about domestic expansion (Narasamamba, G.V.L., 2019). Considerable synergy and positive gains are reflected only in the long run after the merger (Gupta, K., 2015). Banking sector is strengthened by spreading its wings globally by merger (Madray, J.K., and Kamal, R., 2020). Though there are challenges of change in management, synergy in operations, economies of scale, better customer reach and easing of supervision by RBI are very positive to the growth of the economy (Jain, A., and Jain, P., 2020). Inability to meet the regional rural needs, diluting asset portfolio and issues of change management are to be addressed to obtain the right results of merger (Prajeesh, P., and Kavitha, S., 2020). Business and profit per employee are reduced after merger of SBI, but with a positive sign of containment of NPA (Aloysius, O.C., 2021). Mega mergers of involving weak bank and aiming for establishing huge institutions are exposed to unexpected system risks. Establishing stability should be taken care (Reddy, P.J., and Chandra, M., 2020). Forced merger of a weak bank with a strong one is to protect the depositors, the financial sector, and the economy, but detrimental to the interest of investors (Ishwarya, J., 2019). No significant impact on the stock price movements observed of the companies immediately one week prior to or one week post mergers (Kumara, N.R., et al. 2019). Despite increase of deposits, advances, assets, and equity are attained after merger, profit of all banks has reduced due to underutilisation of available resources (Patel, R and Patel, M., 2018). With merger, Tier 1 capital has increased, but NIM is not improved due to higher volume of NPAs (Pareek, N., 2021). Size of the bank is the paramount factor to achieve competitive advantage, as bigger banks can take more risk than a smaller one (Narasagondar, M., 2016). Two bank mergers are studied by analysing three years results pre- and post-merger revealed overall positive results with increased market share, profitability, and efficiency (Khan, A.A., 2012). Financial sector is passing through a phase of growth and technological development. Small banks may find the heat of competition from big players. Merger of banks improves financial and operational soundness, competence by adopting new technologies and services (Tiwari, S., 2011). Mergers and acquisitions will give a new brand name and help the

merged entity to cross sell its products. Companies Act 2013 made mergers easier; but there may be some legal hitches therein which are to be addressed in time to run the merger smoothly (Priya, S.I., 2018). Pre- and post-merger performance analysis based on balance sheet figures clearly shows positive results of merger. Analysis of off-balance sheet items are also to be done for getting a 360-degree view of the conclusive benefits of merger (Babu, M.R., 2019). Merger of weak bank with a healthy one will end up in eroding asset quality of the acquiring healthy bank (Kausingh, Y.B., 2019, Meena, S, and Kumar, P. 2014). Many Indian banks exhibit potential cost savings from mergers provided they rationalize their branch networks although profit efficiency may not rise immediately. In the case of forced mergers, shareholders of neither the bidder nor the target banks benefited. In the case of voluntary mergers, the bidder banks shareholders gained more than the target (Sensarma, R. and Jayadev, M., 2010).

In forced merger, shareholders are not benefitted, but in voluntary merger, shareholders of bidder banks gained more than the target bank. Bank managers strongly favour merger and IT integration and resolving the issues related to human resources are pivotal for the success of merger (Jatkar, K., 2012). Improvement of efficiency is not observed in many mergers, though there is a few exceptions and the common connotation of ‘merger of banks is for improvement of efficiency’ is flawed (Bishnoi, T.R. and Devi, S., 2015). Strategies and policies along with the social context, procedures to be followed are important for post-merger success (Singh, S. and Das, S., 2018). Value creation is achieved through corporate restructuring by mergers as evident from post-merger financial ratios of ICICI Bank (Wajid, A., 2019). Voluntary merged banks perform better and bring all-round results during post-merger period than forcibly merged banks (Kumar, N. et al., 2019). Merger helps in to reduce competition, effective utilisation of financial and human resources, effective utilisation of infrastructure and pave way for boundless expansion (Khanwalker, M., et al. 2020). Synergy is observed in private sector voluntary mergers while this feature is absent in public sector forced mergers (Nirmala, M. and Padmanaba, S., 2017). Effective utilisation of capital is achieved (Kashyap, C., 2022). Diversification and enhanced efficiency are noticed in a study of 40 research papers on bank mergers (Grover, K. L., 2022).

Merger brings in increased work load and stress to the employees. Uncertainty, insecurity, fear to adapt new technologies are common to all mergers. Proper communication with the employees, intervention of HR experts and imparting trainings are required for bringing better results of merger (Joshi, V. and Goyal, K. A., 2012). Merger is for improving market capitalisation of the acquirer bank (Yadav, Y. and Aggarwal, Y., 2017). Indian acquirer banks

performed well in all parameters (Radharukkumani, M.G R., 2014). There is no visible improvement in the performance of banks merged between 2000 to 2004 (Pahuja, A., and Aggarwal, S.,2016). Merger is for achieving dominance in the financial sector, increasing economic power and for international visibility (Kakani, R.K., and Mehta, J., 2011). New brand name, extended reach and cross sell of products and services are achieved by merger of banks (Singh, P., 2014). Due to liquidity problems and volatility, shareholders of acquirer banks generated very little income as per a study of 31 mergers and 351 acquisition announcements in India during 2000 to 2018 (Mal, P., and Gupta, K., 2020). Merger brings in better quality management, synergy and value creation (Joshi, D., et al. 2011). Stock return improved (Patel, R., 2014). Value addition for acquirer and wealth reduction for target banks as per Indian experience (Kumar, B.R., and Suhas K.M., 2010). Value addition to target bank and no benefit accretion to acquirer bank (Das, S.,2018).

Overall performance of the acquiring bank is improved (Kumar, P.,2017). Liquidity and profitability of the banks after merger is not improved. Private sector banks show better performance than public sector banks. HR integration happened seamlessly due to proper communication channel (Kalaichelvan, K., 2017). Capital adequacy ratio and asset quality of the merged bank is improved. However, the acquiring bank is not successful in improving profitability due to their inability to utilize their assets efficiently (Roy, J.,2017). Merger is to resist competition, to achieve desired business targets, achieve growth inorganically, and to take Indian banks at par with international standards by improving technology (Tatiuskar, S.S., 2016). No significant improvement in public sector bank merger, but private sector banks show overall improvements as per CAMELS evaluation (Kasliwal, S.,2016). Indian banks are cost inefficient. Market driven merger with banks using same technological platform reach higher efficiency. If the size of the bank is big, success of merger can be achieved fast (Kaur, P., 2013). Merged banks can bring solutions to problems much faster. Merger reduces competition and cost, achieve growth and expansion, a boost to financial inclusion and enhance global connectivity (Manisha, 2018). Operational expenses are reduced, capital funds and profits are increased. Merger is advantageous for growth and expansion, but containment of NPA is not achieved as desired (Bharath, K. A., 2021). Post liberalization mergers in India are not brought higher efficiency or stock returns. There is a greater possibility of failure of big banks and therefore merger should be taken cautiously (Kumar, S.T., 2014). Compensation package of merged bank is not satisfied to the employees. HR policies of acquirer and target banks are not aligned perfectly and the cultural integration issues prevail for long even after merger

(Bhukute, S. B., 2018). Merger is for enhancing profitability, faster growth, achieving synergies, diversification, increasing shareholders value and achieving economies of scale (Gautam, V., 2021). Merger creates strong banks, able to face competition and reduce overall cost, but insecurity of job and issues of work life balance are crept in among the employees, which are to be mitigated amicably (Agarwal, R.,2017). Merger is for increasing lending capacity of banks, to assist bigger projects, to become globally competitive, and to rationalize infrastructure (Dhमेja, N. L., et al. 2021). Shareholders of bidder bank gain, but target bank shareholders do not accumulate wealth. Voluntary merger helps to gain for the bidder bank's shareholders, but forced merger is disadvantageous to the shareholders (Patel, R., 2019). Shareholders of strong banks (BOB and Vijaya bank) lost while shareholders of weak bank (Dena Bank) gained wealth on announcement of merger of Vijaya Bank and Dena Bank with BOB (Patel, R., 2019). Merger is for credit risk diversification and insuring against credit loss (Saardchom, N., 2018). Merger is for getting competitive advantage domestically and internationally and creation of wealth. The study concluded that there is no significant evidence wealth creation achieved (Kaur, J. 2017). Merger aims at increasing efficiency, brings overall development to the country, achieves economies of scale and scope. The study reveals that by striving for economies of scale and scope, the prime motto of financial inclusion and supporting the underprivileged people are forgotten (Banerjee, S., 2017).

### **2.3 Mega merger of banks**

Merger of banks is not new to Indian banking sector, but mega merger of banks is the latest phenomenon. Usually, merger of banks took place as a takeover by a predatory bank in its pursuit to grow or as per the dictate of the government to any public sector bank to takeover an ailing bank in order to save the interest of the depositors and to protect the economy. Merger of associate banks of SBI with SBI in three stages in year 2008, 2009 and 2017 followed by merger of Vijaya Bank and Dena bank with Bank of Baroda in the year 2019 and merger of 10 public sector banks to create 4 mega banks in the year 2020 are the biggest bank mergers in the Indian banking history. Cultural, regional, and organisational integration of the merged banks is needed for the success of merger because before the merger, the presence of these banks was largely skewed towards a particular region of the nation. Merger is also done on the matching criteria of core banking technologies like Finacle, Flexcube and BaNcs used by the banks before merger.

It is feared that reduction of competition by merger paves way for monopoly which is not at the best interest of customers especially the rural flock, small traders and businessman and the financial inclusion drive. It is also argued that size is not important, but strength of the banks is measured by its lending capacity, ensuring of recovery measures, and providing better customer service that counts more than anything.

Merger of the associate banks of SBI with SBI immediately resulted in reduction of all financial parameters of the merged entity (Dhara, P., and Basu, S., 2020). Growth of banks can be achieved by internally improving product and services or through mergers and acquisitions. Success of merger depends mainly on building synergy between the two (Bansal, J and Kakkar, G., 2018). Employee integration is the core area to be taken care for merger of service industry like banking. Mega mergers are prone to systemic risks which need to be mitigated to get the best results of merger (Rajoria, K., 2017). Study of mega merger in U.K. during 1885 to 1925 find out that many small banks merged and at the end there were only 5 big banks remaining resulting in stock price increase, collusion among the banks that is against the interest of the customers (Fabio, B., 2022). Merger of more than two banks is cost effective and generate more gains to the merged entity (Ray, S. C., and Sethia, S., 2022). Study on the US large scale bank mergers concludes that it will lead to non-availability of timely credit to needy firms which accelerates marketplace lending (Avramidis, P., et al. 2022). Mega merger of banks does not increase welfare to client firms, the impact will be more if merger of weak banks takes place. In the long run, weak client firms experience welfare loss as per a study conducted on Japanese mega bank mergers (Montgomery, H., and Takahashi, Y., 2020). Implementing economic reforms and for improving global competitiveness of Indian banks (Suryanarayana, N.R, and Uma, T.G., 2020). Indian mega bank mergers are unlikely to aid growth. Banks' balance sheet size will be downsized due to stressed assets. Realignment of staff, organizational structure and cultural integration are the main challenges. Technology alignment is a positive note, but overall, it may take more time to get positive results of integration (Panchal, S. 2019). Merger announcement of 5 associate banks with SBI resulted in increased market capitalisation by 17 to 23 % which indicates that merger benefitted to SBI (Khan, A. A., & Zia, A. 2019). Study on stock market response to mega bank mergers find out that investors started to react from the starting of the announcement of merger and stock prices jumps up but later it was subsided (Upadhyay, R., and Kurmi, M.K.,2020). CAR, Basel III norms and NPAs containment are improved after merger. Though there is initial sign of positivity, the rate of growth is not reached the level as expected (Kumar, C.S.A., 2020). Merger is one of the options

for keeping the banks from collapse. Banks inherit certain financial strengths which they carry on after the merger. Japanese banks have not effectively utilised the financial strengths and available opportunities expected to be taken after merger (Harada, K. and Ito, T., 2011). Success of Indian merged banks depend on how the merged bank re-align their products and equip to work under the new changed global environment in terms of technology (Nishat, S., & Lal Khan, T. 2020). Study conducted on US bank mega merger of 1998 reveals that investors are benefitted on the announcement of mergers (Said, E.K et al.). Study conducted on merger of credit unions in Australia and USA to compete with established financial institutions reveals that instead of merger, better growth can be achieved internally (Deborah, R., et al, 2001). Increasing the size of the bank by Indian mega bank merger alone does not help. Instead, adopt new technologies, enhance banking activities, increase lending, and establish a strong recovery measure are required for bringing success (Masaki, L. and Koichiro A.,2012).

#### **2.4 Merger of banks in Emerging and Developing Asian countries**

China, Japan, Indonesia, Malaysia, Pakistan, and Vietnam, ranks the top of countries other than India in this group of Emerging and Developing Asian Countries. Chinese banks find its place in the top list of banks in the world. One of the reasons for its coveted position accounts for their merger including cross border bank mergers. Merger brings in new brand equity, cost reduction, increased profitability, higher efficiency, and new technology in its operations. The studies illustrate certain pulling down factors of merger like high costs due to economic slowdown, high provisioning due to stringent loan loss rules, reduction of small loans and their neglect to follow welfare measures.

Chinese merger brings in cost reduction, increased profitability, and establish a new brand equity of the merged entity (Chu, Y., et al. 2021). Merger of banks in Indonesia was aimed to compete Islamic banking with the conventional banks. Combination of more than two banks increases efficiency score (Tyas, A.A., and Rusydiana, A.S., 2021). Study on the merger of Chinese pharmaceutical companies from 2008 to 2016 reveals that firms' assets, size, age, and growth ability that counts for the success of merger (Zhang, W., 2018). Privatisation of state-owned banks or merger of banks did not improve efficiency due to high transition costs, environmental variables, and economic slowdown as per the experience of merger of banks in Vietnam (Vo, X. V., and Huan, N. H., 2018). Merger increases efficiency as evident from the post-merger efficiency scores of merged banks in Vietnam (Anh, N. P., 2020). Stock market responded negatively towards merger of banks in Pakistan (Rahman, Z et al. 2018). Efficiency

scores of merged banks has increased slightly indicating positive results of merger of banks in Vietnam (Nguyen, P. A., 2020). Adoption of new technologies after merger boosts efficiency and productivity in Malaysian banks (Hazlina, A. K., 2010). Study of 34 commercial banks in Malaysia reveals that post-merger, revenue efficiency is reduced considerably (Sufian, F., 2013). Productivity of Malaysian banks not improved after merger mainly due to conservative loan loss provisioning and cost inefficiency (Mohammed, S.R., 2008). Five American banks and five Chinese banks were studied under DEA method. Higher efficiency was visible after merger of Chinese banks than American banks. Merger is a burden to the acquiring bank (Weiguo, X. and Ming, L., 2008).

Study on relationship of firms with Japanese banks after merger reveals that only established firms get credit from banks but small firms find it difficult to get loans from banks and therefore, total credit availability to firms in the market diminishes (Montgomery, H. 2022). Merger of weak banks result in significant loss of welfare to the client firms. In the long run, weak client firms experience welfare loss (Montgomery, H., & Takahashi, Y., 2020). Study conducted 232 mergers on Japan revealed that profitability, growth, and efficiency projected and announced at the time of merger is not attained by the Japanese firms. The announcement will result in short term stock returns, but in long run it is adjusted to the real performance (Amano, Y. 2022).

## **2.5 Merger of banks in USA, Canada, Latin American & The Caribbean countries**

United States of America, the financial capital of the world has used merger of banks as an effective tool for economic development. US banking history has seen many ups and downs of regulation and de-regulation. Sub-prime mortgage crisis and crashing down of many big banks have shaken the US economy and adversely affected many other countries. Competition policy and stringent financial steadiness helped Canadian banks to stand tall during the period of financial crisis. Canadian banks are ranked on the top position in the world with the soundest banking system. US banks have achieved technical and financial synergy, efficiency in marketing its products and services, improved profitability, and effected cross border mergers after merger. However, some of the studies state that there is no significant cost savings and the performance of banks are below the standard level after the merger.

Merger facilitated upgradation of technology and improved the cost benefit ratio (Sharkas, A.A. et al, 2008). Significant cost savings is not reflected in large bank mergers (Houston, J.F., and Ryngaert, M.D., 1994). Asset quality and business improved after merger and companies

with similar type of products show better results after merger. Investors have high expectations of merger expecting an overall economic development after merger (Paul, H.M., 1992). US banks are disappearing at the rate of 1.75% between 1980 and 2000 due to large scale merger. Consolidation is inevitable, brings in efficiency and needed to compete with nonbank and global competitors (Dymski, G A., 2020). Local bank merger increases shareholders value and economic value in the short run (Mohamad, H., and Evangelos, G., 2020). Abnormal returns are observed in small bank mergers than merger of big bank in USA study of 640 mergers from 1990 to 2014 (George, N.L., and Emmanouil, P. G., 2022). Profitability and cost efficiency of regulatory mergers has increased as compared with non-merged peers up to two years following the merger (Mamun, A., et al., 2021). Merged banks under-performed significantly as compared to their peer non merged banks (Sharkas.A.A.,2021). Brand equity of the bank is a vital factor for the success of mergers (Chu, Y., et al., 2021). How much diversification is achieved after merger is to be considered as an important criterion for determining the success of merger along with increasing shareholder value (Sharma, M., 2010). Post-merger, marketing the products becomes more efficient (Mahabubur, M., et al. 2016). Results of 138 mergers from 2014 to 2018 reveal that profits reduced after merger. The change of profit from pre-to post-merger was more in Europe than in USA as the United States has undergone economic crisis well before Europe has experienced it (Borodin, A., et al. 2020). Effort of the top management of both firms plays a very crucial role for the success of mergers K. (Lawlor, B.K., 2022). Human resources integration is one main area of concern of a merger. Generally, homogeneous groups are considered amenable and less stressors to merger. However, the study revealed that heterogeneous groups are least stressed than homogeneous groups (Grotto, A. R., and Andreassi, J. K. 2022).

Merger of banks in Canada brings in technical and cost efficiencies and results in increased financial gains. Large banks will be able to withstand any perils and efficiency seeking banks go for mergers and acquisitions and grow organically (Amin, G. R., and Ibn, B.M., 2020). Competition policy and financial steadiness achieved through stringent rules prevented Canadian banks to stand tall in the perils of global financial crisis and bank merger waves (Bakir, C. 2019). Globalization promotes cross border mergers and acquisitions. Acquiring companies in the emerging economies will be the sufferer in case of cross border mergers as per a study on Canadian banks (Paula, B. L. D., et al. 2022).

Competition is reduced after merger of Brazilian banks (Daniel, R. B., 2015). Geographical diversification achieved; shareholder value increased for the banks by acquiring underperforming banks (John, G., 2012).

## **2.6 Merger of banks in the European Union**

European Union (EU) is the combination of twenty countries. Banks in the EU countries have varied strengths and weaknesses. Luxembourg and Estonia have very strong banking system while banks in Spain, Portugal and Greece are comparatively weak. Covid 19 pandemic and the Ukraine- Russia war started in the year 2021 have affected the banking and economy of this region. Housing finance crisis of 2018 has badly affected Spanish banks and merger of banks followed as one of the bailout packages. Various studies concluded that merger brings in more income and stability and big banks can withstand the perils and storms. However, the EU experience states that merged banks concentrate in urban areas and neglect the rural people. There are examples of failure of banks after merger due to the overconfidence of the top management.

Italian banks aimed for higher service income after merger, but the increase in the income is equalised by higher staff costs resulting to settle at breakeven point (Focarelli, D., and Panetta, F., 2002). Concentration of big banks in urban areas limit receiving banking facilities to small business houses scattered in tiny towns and rural areas. Merger of small banks with big banks is unfavourable to the small businesses. Failure of big banks will be costly to the economy. A superior supervisory system on merger of banks is needed to mitigate the drawbacks (Jean, D., 1999). Merged entities generally not perform as good as non-merged firms, overconfidence of the management turns to have a negative impact on the post-merger performance. Related mergers perform better than unrelated mergers as per a study on merger of firms in Netherlands (Luc, R., and Cara, V., 2019). Merger of small with bigger banks is for sustainability in West Balkan countries (Nada, m., et al. 2022). Merger executed after the collapse of Spanish savings bank, brought in efficiency and solvency (Blanco-Oliver, A., 2021). Productivity improvement is observed only 50 % of Spanish mergers (Bernad, C., 2010). Merger and consolidation reduce the number of banks and create big banks. Failure of big bank is catastrophic to the economy; but study of EU banks reveals that big banks can sustain systemic risks and will remain stronger (Eric, F. K., 2022). Value creation and increase in financial efficiency is observed in Czech bank mergers (Hoang, L. P., 2015). Study on 97 European banks merged during 1997 to 2008 find out that clear value creation is achieved target bank's shareholders (Diaw, A., 2014). Study

of 14 French mergers from 1996 to 2006 revealed that overall efficiency and shareholder value are reduced by 17.82% and 5.14% respectively (Said, H. B., et al., 2017).

## **2.7 Merger of banks in the Middle East, Central Asia, and Sub-Saharan Africa**

Study on merger of banks in this region has more positive effects like attaining competitive advantage, growth, increase of efficiency, productivity, profit per employee, business per employee and reduction of expenses. Many countries in this region have existence of Islamic banking system.

Event study analysis of stock price behaviour of bank mergers in Pakistan during 2002 to 2012 reveals that there are mixed results from various cases. Overall, the stock market responded negatively towards the phenomenon of mergers and acquisition in banking sector in Pakistan (Ali, R.Z., 2018). Credit risk position is advanced after merger of Egyptian banks (Badreldin, A. M. and Kalhofer, C., 2021). Study of 113 bank mergers of Iran reveals that by merger, competitive advantage and growth are achieved. Stringent new licencing policy of the government is one of the main reasons for opting mergers (Mohammad, Z., 2015). Competitiveness and efficiency are improved after merger of Nigerian banks (David, E. O., 2010). Work environment and organisational culture is one of the main determinants of success of mergers as per Nigerian experience (Onyeaghala, O.H., 2021). Research on 40 bank mergers of Middle east and North Africa (MENA) during 2010 to 2018 reveals that merger has not made any positive or negative impact in the short run on the acquirer banks (Sindi, S. M., 2021).

Competition in South African banks are limited as the number of banks are comparatively less. The effects of merger of banks are studied on DEA reveals that scope and size effects are negligible due to less competition (Wanke, P., 2017). Merger of Nigerian banks enabled to heighten market power coupled with reduction of expenses and stabilise its operations and profitability (Adeyemi, B., 2016). Nigerian banks after merger have achieved financial efficiency in terms of profit and business volume (Olagunju, A. and Olalekan, O., 2012). Establishing superb work environment and organisational culture to boost employee morale have great impact on success of merger (Obioma, H. O., 2021). Product diversification has great impact on the accomplishment of merger objectives as per Kenya's experience (Nyarige, J.O. et al., 2022). Employee productivity, deposits per employee and advances per employee are increased post-merger of Nigerian banks as per a study conducted of mergers during 2008 to 2014 (Hassan, Y., and Lukman, R. 2020).

## **2.8 Cross border merger of banks**

Merger of banks belonging to two or more countries are termed as cross border merger. Cross border merger of banks is not an easy process as it must address various issues of cultural differences in the countries, different corporate cultures, varied rules and regulations, taxation etc. Banks are going for cross border mergers for cost efficiency, diversification, better service to its customers in foreign countries and expanding banking business abroad. Cross border merger of banks is in tandem with growth of trade and business beyond the boundaries of one country. Positive effects of cross border mergers are augmentation of loan portfolio and capital adequacy, expansion of trade and business. The study has pointed out concern of different cultures and statutory rules prevailing in the countries as a draw back for success of cross border mergers. Cross border mergers are very complex, but seamless merger depends on country specific and company specific compatibility.

Financial and operational soundness is achieved through merger of banks. Merger strategies should not be designed to swallow the beautiful entities (Liu, R.B. and Li, H.D., 2018). Banks in countries with fewer regulations are prone to cross border mergers. Cost inefficient banks are generally targets of technologically advanced, innovative, and efficient acquirer banks (Lin, Dongyun et al., 2013). Study conducted on cross boarder merger of Asian banks revealed that with merger, loans and capital adequacy are increased, but fails to improve profits due to non-performing assets. Strong legal regulations required to be implemented to get good results of cross border mergers (Yoko, S., 2018). Success of international merger depends on the ability to integrate the cultural identity, human resources, technology, handholding of customers and establishing a broad vision and mission with values and new perspectives (Hyder, A. S., and Osarenkhoe, A., 2018). Study on Chinese multinational mergers reveal that stocks of exploitation-oriented mergers perform better than that of exploration-oriented mergers. Maintaining larger share of target firm is a strategic plan for achieving better results (Zhu, Z., et al. 2020). Cross border merger creates value in the long term, but with excessive costs risks (Mohamad, H., and Evangelos, G., 2020). An integrated view of the merged entity is required for analysing success of cross border mergers (Hyder, A. S., and Osarenkhoe, A., 2018). Study of HSBC's absorption of banks from across the world find that cultural differences is the failure of cross border mergers. Cultural compatibility and fit are of paramount important factors for success of such mergers (Claudio, D. M., 2007). Cross border mergers are very complex and success of merger depends on bank specific and country specific compatibility levels (Lin, D., 2013).

## 2.9 Conclusion

Aim, pros and, cons of bank merger as per the literature review are summarised below: -

**Table. 2.1: Objectives, Pros and Cons of Bank Merger**

| <b>Objectives of Bank Merger</b> |                                                                   |    |                                                         |
|----------------------------------|-------------------------------------------------------------------|----|---------------------------------------------------------|
| 1                                | Quick inorganic growth                                            | 2  | Create big banks                                        |
| 3                                | To combat competition                                             | 4  | Stop the failure of weak banks                          |
| 5                                | Upgrade technology                                                | 6  | Adopt global standards                                  |
| 7                                | Achieve economies of scale and scope                              | 8  | Reduce expenses                                         |
| 9                                | Achieve synergy of operations                                     | 10 | To confirm statutory requirements                       |
| 11                               | Diversification                                                   | 12 | To build a new brand name                               |
| 13                               | Expand banking globally                                           | 14 | Upgrade global position of bank                         |
| <b>Pros of Bank Merger</b>       |                                                                   |    |                                                         |
| 1                                | Efficiency enhanced                                               | 2  | Global presence improved                                |
| 3                                | Synergy obtained                                                  | 4  | Reduced competition                                     |
| 5                                | NPA reduction and increased lending capacity                      | 6  | Achieved economies of scale and scope                   |
| 7                                | Enable to adopt new technologies                                  | 8  | Enhanced global connectivity                            |
| 9                                | Business increased                                                | 10 | Profitability improved                                  |
| <b>Cons of Bank Merger</b>       |                                                                   |    |                                                         |
| 1                                | Challenges of change management                                   | 2  | Dilution of asset portfolio                             |
| 3                                | Increased systemic risks                                          | 4  | Issues related to integration of HR                     |
| 5                                | Increased stress, uncertainty, and work life balance of employees | 6  | Neglect of rural customers and small manufacturers      |
| 7                                | Cultural and organisational specific differences of banks         | 8  | Failure of big banks are more disastrous to the economy |

## **CHAPTER -3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research is a process of enquiring into a subject in a detailed manner by collecting all available information and data about study, analysing, interpreting, and contemplating on it that enables to learn, unlearn, and relearn. Methodology means the system, rules, steps, stages, methods, processes, and procedures used for the research. The aim of this study is to analyse the effect of mega banking merger in strengthening international presence of Indian banks. The research problem, type of data needed for finding an answer to the problem, the methods of collection of data, and the devices used for analysing the data are incorporated in this chapter.

Banking plays an important role in the economic development of any nation. A healthy and stable banking system is required for the overall development of the country. Mounting Non-Performing Assets (NPAs) to 11.2% (March 2018), stringent norms of provisioning for NPAs and Capital to Risk-weighted Assets Ratio (CRAR) as per Basel III norms put pressure on banks from various angles like profitability, lending capacity, and stability. Competition from new generation private sector banks, foreign banks and NBFCs in terms of technology, business model, custom made products and their unbeatable service standards was a threat to the public sector banks. Further, establishment of seven Payment Banks and ten Small Finance Banks in the year 2015 was as good as adding oil in the fire to the existing Public Sector Banks. On March 2018, there were 21 banks each in public and private sectors and forty-five foreign banks with altogether 1.20 lakh branches and 2.05 lakh ATMs spread all over the country. Large number of banks and branches increase unpleasant and unhealthy competition between them and hinder the banks to achieve economies of scale and improve their financial position. It is a paradox that even though all the 21 public sector banks are owned by the government they are competing each other to grab business that hamper their flowering progress. Although India is the fastest growing economies in the world, increased number of banks restricted their entry to a substantial growth trajectory and India's dream to create globally mammoth banking institution was not fulfilled. On this background, Government of India has decided to implement mega merger of ten Public Sector Banks (PSBs) into four banks on April 1, 2020 with the objective of creating globally competitive banks adopting new technology and strengthen international presence of Indian banks.

### **3.2 Research problem**

There were various concerns about the mega banking merger from different parties such as employees, banking professionals, customers, common man and trade unions. Integration of technology, assimilation of human resources and corporate culture, infrastructural needs for growth and expansion and how the international presence of Indian banks improved were the concerns and questions. This study would assist in clearing the air around the consolidation of banks and would be helpful for the Government, banking professionals, employees as well as the common man. This study is intended to find out the relationship between mega merger and its effects of improving international presence of Indian banks.

### **3.3 Objectives of the study**

1. To analyse mega banking mergers and global position of Indian banks.
2. To evaluate the role of mega banking-mergers on banks' international presence in terms of market size.
3. To examine the effect of mega banking-mergers on banks' international presence in terms of growth and expansion.
4. To investigate the impact of mega banking-mergers on banks' international presence in terms of infrastructural needs.
5. To determine how consolidation of banks is useful for the Government, banking professionals, and the common man.

### **3.4 Research Questions**

- What is the role of mega banking-mergers on banks' international presence in terms of market size?
- What is the role of mega banking-mergers on banks' international presence in terms of growth and expansion?
- What is the role of mega banking-mergers on banks' international presence in terms of risks involved in infrastructural needs?
- How the consolidation of banks is useful for the Government, banking professionals, and the common man?

### **3.5 Research design**

Research design is a road map that describes the flow of the things to be done in data collection, measurement, analysis, and interpretation. This serves like a route map and a flow chart that is essential for establishing control over the research activities. Data required for the research can be of quantitative or qualitative or mixed. Data can be collected from primary sources or from secondary sources. The selection of sources of data is decided by the researcher based on the type of research and the availability of data. If the researcher is of the opinion that sufficient data is available from the published documents, reports, or statistics, he can use the same, otherwise, the researcher must collect the data from the primary sources.

In the present study, the mixed philosophy of data collection is used. Secondary data is collected from the published annual reports of banks, RBI's Annual Reports RBI Report on Trend and Progress of Banking in India, Economic Survey, 'Key Business Statistics' of Indian Banks' Association, Hand book of statistics by RBI The Indian Economy, World Development Indicator of World Bank, World Economic Outlook Database of IMF, National Income Statistics of CMIE, RBI guidelines on mergers and amalgamation of banks, SEBI takeover code, Reports of various committees on banking appointed by Government of India, Performance of Global Banking sector and World's Largest banks by The Banker.

Mixed Methods Research (MMR) is used in this study. Along with the quantitative data, qualitative information is also collected from persons associated with the merger and acquisition of banks. Using the MMR design alleviate any possible lapses in one system with that of the other system.

### **3.6 Data Collection and universe**

The data collection in the present study will be taken from both primary and secondary sources. Primary data will be collected directly from banking professionals using two methods ie quantitative data collection using questionnaires and qualitative data collection through interviews

Secondary data is collected from published reports of Reserve Bank of India, annual reports of banks, Economic Survey, World Bank reports, The Banker Data Base, Bank of International Settlements, and similar other reports of various agencies.

For conducting sampling design, the research mainly focusses on 63 sample sizes with simple random sampling method for quantitative data collection. For interview mode adopted for

collection of information, 50 respondents were selected from the universe of economists and top bank officials.

### **3.7 Scope of the Study**

From the literature review, it is found that there are studies on merger of banks that examined pre- and post-merger financial performance, its effect on strengthening the banking sector, effort in controlling NPAs, integrating technology and HR, reaping the benefit of economies of scale and scope, improving operational efficiency etc. In addition, mergers are considered as one of the quickest modes to grow and to reach out globally.

Further, the studies find out the effect of change in customer base and services, employee satisfaction, and HR integration.

Researchers raise their concern about the plight of the parties interested in the strong bank viz. the depositors, investors in a scenario etc. where a weak bank is merged with a strong bank. However, an analysis of the plight of depositors of weak bank and a study from the angle of protecting the financial system is not yet conducted.

Deep research on international presence of banks after its consolidation is not yet done.

No research work on its contribution is done so far on consolidation of State Bank of India group and ten PSBs into four major banks and its effect on strengthening the international presence of Indian banks.

In view of the above, the present study aims to find out the role of banking coalescence in strengthening international presence of Indian banks.

### **3.8 Collection tools**

Data collection is followed by finalisation of research design. There are various methods by which data can be collected. The method of collection depends on the type of data, its source, time and amount available for data collection. Data collection through questionnaire, by interviews, by observation, and from secondary sources are the generally followed methods. Video records of respondents are also used as an effective tool for the collection of data as it captures verbal as well as nonverbal inputs like body language, thought processes, interaction, expressions that will give an in-depth answer to the researcher (Markku, S.H., et al. (2022)).

### **3.9 Analysis of data**

A qualitative analysis begins with the reading, understanding, and interpretation of the transcripts. Prior to advancing, it is essential to gain a comprehensive understanding of the entire data set (i.e., all data that will be employed and all data relevant to all interviews). As part of this step, it is important to take notes and record your initial opinions.

For the thematic analysis, an approximate of 15 open-ended questions from the questionnaire have been chosen. The responses from the respondents were duly noted. The responses are from two sets of groups, that is, one from the economists and other from the top-level banking professionals. All the respondents were given the same questions pertaining to the topic of Mega banking mergers and global position by analysing the role of banking coalescence in strengthening the international presence of Indian banks.

Next stage was Generation of Initial Codes. The goal of this stage is to organise the study data in an orderly and meaningful manner. Coding involves reducing large amounts of information into smaller pieces that are relevant to the research questions. Coding was performed on data segments that corresponded to or captured something of interest to the research questions. Not all texts were coded. In this study, open coding was used, meaning that codes were not predetermined and developed as the coding process was carried out.

Based on the answers to the survey questions, themes have been identified, along with subheadings corresponding to those themes and analysis is carried out.

### **3.10 Hypothesis testing**

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) and the symmetric measures (Phi, Cramer's V, and Contingency Coefficient), cross tab analysis and Thematic analysis are used in hypothesis testing.

## **CHAPTER 4**

### **DATA ANALYSIS**

#### **4.1 Introduction**

This chapter delves into the diverse perspectives surrounding mergers and acquisitions (M&A) within the banking industry. In an era marked by rapid changes, competitive pressures, and evolving customer demands, banks frequently resort to M&A as a strategic move. This analysis explores the opinions and viewpoints of individuals from various categories of banks, ranging from public sector banks to private sector banks and others, to gain deeper insights into their perceptions regarding the impacts of M&A activities within the banking sector.

M&A transactions within the banking industry are known to have far-reaching consequences, affecting not only banks themselves but also their customers and employees. Understanding these ramifications and diverse outlooks is crucial for both policymakers and industry stakeholders. The study focuses on a range of critical aspects, from credit availability and the introduction of new services to improvements in reputation, the effect on banking professionals, and the overall influence on common banking practices.

By examining these perspectives across different types of banks, this analysis aims to shed light on whether varying organizational structures and missions lead to divergent perceptions. Such insights have the potential to inform decision-making processes within banks and regulatory bodies alike, ultimately contributing to a more comprehensive understanding of the complex landscape of the banking industry.

In the sections that follow, we will delve into each of the survey questions and their corresponding findings, providing a detailed examination of the correlations, if any, between bank category and opinions on M&A-related topics. The analysis will culminate in a comprehensive summary, offering a holistic view of the perceptions surrounding M&A activities in the banking sector.

## 4.2 Quantitative data analysis – Survey results

Frequencies of Where is the location of your bank?

| <b>Q. 1 Where is the location of your bank?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------|---------------|-------------------|---------------------|
| Metro                                           | 21            | 33.3 %            | 33.3 %              |
| Other                                           | 5             | 7.9 %             | 41.3 %              |
| Rural                                           | 4             | 6.3 %             | 47.6 %              |
| Urban                                           | 33            | 52.4 %            | 100.0 %             |

The respondents were asked about the location of their bank. The majority (52.4%) reported that their bank is in an urban area, while 33.3% stated it is in a metro area, 7.9% in other locations, and 6.3% in rural areas.

Frequencies of Q. 2 Which age group do you fall under?

| <b>Q. 2 Which age group do you fall under?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|------------------------------------------------|---------------|-------------------|---------------------|
| 25-35 years                                    | 30            | 47.6 %            | 47.6 %              |
| 36-45 years                                    | 19            | 30.2 %            | 77.8 %              |
| 46-55 years                                    | 7             | 11.1 %            | 88.9 %              |
| Above 55 years                                 | 7             | 11.1 %            | 100.0 %             |

Here participants were questioned about their age group. The largest group fell in the 25-35 years category, representing 47.6% of respondents. The 36-45 years group accounted for 30.2%, while 11.1% were in both the 46-55 years and above 55 years age groups.

Frequencies of Q. 3 Which category does your bank fall under?

| <b>Q. 3 Which category does your bank fall under?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------------|---------------|-------------------|---------------------|
| Other                                                 | 10            | 15.9 %            | 15.9 %              |
| Private Sector Bank                                   | 16            | 25.4 %            | 41.3 %              |
| Public Sector Bank (PSB)                              | 37            | 58.7 %            | 100.0 %             |

In the survey data, when asked about the category of their bank, 58.7% of respondents indicated they were with a Public Sector Bank (PSB), while 25.4% mentioned being with a Private Sector Bank. Additionally, 15.9% mentioned "Other" than PSB and Private Sector

Frequencies of Q. 4 What is your highest educational qualification?

| <b>Q. 4 What is your highest educational qualification?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------------------|---------------|-------------------|---------------------|
| Bachelor's degree                                           | 16            | 25.4 %            | 25.4 %              |
| Master's degree                                             | 38            | 60.3 %            | 85.7 %              |
| Professional or Technical degree                            | 9             | 14.3 %            | 100.0 %             |

The majority of respondents (60.3%) reported having a Master's degree, while 25.4% held a Bachelor's degree. A smaller group (14.3%) had a Professional or Technical degree as their highest educational qualification.

Frequencies of Q. 5 How long have you been employed in the banking sector?

| <b>Q. 5 How long have you been employed in the banking sector?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|--------------------------------------------------------------------|---------------|-------------------|---------------------|
| 0 - 5 years                                                        | 8             | 12.7 %            | 12.7 %              |
| 11 - 20 years                                                      | 21            | 33.3 %            | 46.0 %              |
| 21 - 30 years                                                      | 7             | 11.1 %            | 57.1 %              |
| 5 -10 years                                                        | 19            | 30.2 %            | 87.3 %              |
| Above 30 years                                                     | 8             | 12.7 %            | 100.0 %             |

When asked about their tenure in the banking sector, 33.3% had 11-20 years of experience, and 30.2% had 5-10 years of experience. A smaller percentage fell into other experience categories, with 12.7% in both 0-5 years and above 30 years, and 11.1% in 21-30 years.

Frequencies of Q. 6 What position do you hold at the present bank?

| <b>Q. 6 What position do you hold at the present bank?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|------------------------------------------------------------|---------------|-------------------|---------------------|
| Branch Manager                                             | 17            | 27.0 %            | 27.0 %              |
| General Manager                                            | 1             | 1.6 %             | 28.6 %              |
| Others                                                     | 35            | 55.6 %            | 84.1 %              |
| Regional Manager                                           | 4             | 6.3 %             | 90.5 %              |
| Relationship Manager                                       | 6             | 9.5 %             | 100.0 %             |

In terms of current positions at their banks, the majority (55.6%) held positions categorized as "Others," 27% were Branch Managers, and 9.5% were Relationship Managers. General Managers and Regional Managers represented smaller percentages at 1.6% and 6.3%, respectively.

Frequencies of Q 7. Have there been any significant organizational changes, such as mergers, acquisitions, or reorganizations, at your bank in the recent five years?

| <b>Q 7. Have there been any significant organizational changes, such as mergers, acquisitions, or reorganizations, at your bank in the recent five years?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| No                                                                                                                                                            | 7             | 11.1 %            | 11.1 %              |
| Yes                                                                                                                                                           | 56            | 88.9 %            | 100.0 %             |

Most respondents (88.9%), reported that there. have been significant organizational changes, such as mergers, acquisitions, or reorganizations, at their current banks in the recent five years, while 11.1% stated there were no such changes

Frequencies of Q. 8 What level of involvement did you have in the process merger?

| <b>Q. 8 What level of involvement did you have in the process merger?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|---------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Extensive                                                                 | 2             | 3.2%              | 7.9 %               |
| Moderate                                                                  | 45            | 71.5 %            | 74.6 %              |
| Quite a lot                                                               | 8             | 12.7 %            | 87.3 %              |
| Very little                                                               | 8             | 12.7 %            | 100.0 %             |

When asked about their level of involvement in the process of merger, the majority (71.5%) stated that have ‘moderate’ level of involvement, while a smaller percentage (3.2%) had extensive, (12.7%) each responded quite a lot and very little involvement.

Frequencies of Q. 9 Which of the following do you think is not true about merger and acquisition in banking industry?

|                                                                     |    |        |         |
|---------------------------------------------------------------------|----|--------|---------|
| Meets credit demand and supports economic growth                    | 7  | 11.1 % | 11.1 %  |
| Meets out personal growth and profitability of individual bank      | 6  | 9.5 %  | 20.6 %  |
| None of the above                                                   | 20 | 31.7 % | 52.4 %  |
| Protects the financial system and depositors' money                 | 7  | 11.1 % | 63.5 %  |
| The government will devote more attention to the merged institution | 23 | 36.5 % | 100.0 % |

In response to this question, 36.5% of respondents believed that the government would devote more attention to the merged institution, while 31.7% selected "None of the above" as their answer. Smaller percentages believed that mergers and acquisitions meet credit demand and support economic growth (11.1%), protect the financial system and depositors' money (11.1%), and meet out personal growth and profitability of individual banks (9.5%).

Frequencies of Q.10 Do you agree that Public Sector Banks (PSBs) mergers lessen reliance on government funding by increasing internal and market resources?

| <b>Q.10 Do you agree that Public Sector Banks (PSBs) mergers lessen reliance on government funding by increasing internal and market resources?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                               | 19            | 30.2 %            | 30.2 %              |
| Disagree                                                                                                                                            | 12            | 19.0 %            | 49.2 %              |
| Neither agree nor disagree                                                                                                                          | 18            | 28.6 %            | 77.8 %              |
| Strongly agree                                                                                                                                      | 9             | 14.3 %            | 92.1 %              |
| Strongly disagree                                                                                                                                   | 5             | 7.9 %             | 100.0 %             |

When asked whether they agree that Public Sector Bank (PSB) mergers lessen reliance on government funding by increasing internal and market resources, 30.2% of respondents agreed, while 19.0% disagreed. Furthermore, 28.6% neither agreed nor disagreed, 14.3% strongly agreed, and 7.9% strongly disagreed with this statement.

Frequencies of Q. 11 Do you agree that PSB mergers increase the merged entity's internal and external capital creation opportunities?

| <b>Q. 11 Do you agree that PSB mergers increase the merged entity's internal and external capital creation opportunities?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                         | 30            | 47.6 %            | 47.6 %              |
| Disagree                                                                                                                      | 12            | 19.0 %            | 66.7 %              |
| Neither agree nor disagree                                                                                                    | 11            | 17.5 %            | 84.1 %              |
| Strongly agree                                                                                                                | 7             | 11.1 %            | 95.2 %              |
| Strongly disagree                                                                                                             | 3             | 4.8 %             | 100.0 %             |

Regarding the belief that PSB mergers increase the merged entity's internal and external capital creation opportunities, 47.6% of respondents agreed, while 19.0% disagreed. Additionally, 17.5% neither agreed nor disagreed, 11.1% strongly agreed, and 4.8% strongly disagreed with this statement.

| <b>Q. 12 Do you agree that PSB mergers increases the governments non-tax revenue?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|---------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                 | 19            | 30.2 %            | 30.2 %              |
| Disagree                                                                              | 11            | 17.5 %            | 47.6 %              |
| Neither agree nor disagree                                                            | 25            | 39.7 %            | 87.3 %              |
| Strongly agree                                                                        | 4             | 6.3 %             | 93.7 %              |
| Strongly disagree                                                                     | 4             | 6.3 %             | 100.0 %             |

In response to whether PSB mergers increase the government's non-tax revenue, 30.2% agreed, 17.5% disagreed, 39.7% neither agreed nor disagreed, 6.3% strongly agreed, and 6.3% strongly disagreed.

Frequencies of Q. 13 Do you agree that PSBs mergers increase payment and settlement concentration because there are fewer competitors?

| <b>Q. 13 Do you agree that PSBs mergers increase payment and settlement concentration because there are fewer competitors?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|--------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                          | 25            | 39.7 %            | 39.7 %              |
| Disagree                                                                                                                       | 13            | 20.6 %            | 60.3 %              |
| Neither agree nor disagree                                                                                                     | 14            | 22.2 %            | 82.5 %              |
| Strongly agree                                                                                                                 | 2             | 3.2 %             | 85.7 %              |
| Strongly disagree                                                                                                              | 9             | 14.3 %            | 100.0 %             |

For the question on whether PSB mergers increase payment and settlement concentration due to fewer competitors, 39.7% agreed, 20.6% disagreed, 22.2% neither agreed nor disagreed, 3.2% strongly agreed, and 14.3% strongly disagreed.

Frequencies of Q. 14 Do you agree that PSBs mergers decrease operational risks?

| <b>Q. 14 Do you agree that PSBs mergers decrease operational risks?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                   | 14            | 22.2 %            | 22.2 %              |
| Disagree                                                                | 19            | 30.2 %            | 52.4 %              |
| Neither agree nor disagree                                              | 15            | 23.8 %            | 76.2 %              |
| Strongly agree                                                          | 3             | 4.8 %             | 81.0 %              |
| Strongly disagree                                                       | 12            | 19.0 %            | 100.0 %             |

Regarding the belief that PSB mergers decrease operational risks, 22.2% agreed, 30.2% disagreed, 23.8% neither agreed nor disagreed, 4.8% strongly agreed, and 19.0% strongly disagreed.

Frequencies of Q. 15 Do you agree that PSBs mergers help to better deal with their credit portfolio including Stress Assets or Non-Performing Assets (NPAs)?

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| <b>Q. 15 Do you agree that PSBs mergers help to better deal with their credit portfolio including Stress Assets or Non-Performing Assets (NPAs)?</b> |               |                   |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
|                                                                                                                                                      | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
| Agree                                                                                                                                                | 23            | 36.5 %            | 36.5 %              |
| Disagree                                                                                                                                             | 10            | 15.9 %            | 52.4 %              |
| Neither agree nor disagree                                                                                                                           | 13            | 20.6 %            | 73.0 %              |
| Strongly agree                                                                                                                                       | 7             | 11.1 %            | 84.1 %              |
| Strongly disagree                                                                                                                                    | 10            | 15.9 %            | 100.0 %             |

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In response to whether PSB mergers help better deal with their credit portfolio, including Stress Assets or Non-Performing Assets (NPAs), 36.5% agreed, 15.9% disagreed, 20.6% neither agreed nor disagreed, 11.1% strongly agreed, and 15.9% strongly disagreed.

Frequencies of Q. 16 Do you agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale?

| <b>Q. 16 Do you agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                         | 30            | 47.6 %            | 47.6 %              |
| Disagree                                                                                                                      | 8             | 12.7 %            | 60.3 %              |
| Neither agree nor disagree                                                                                                    | 12            | 19.0 %            | 79.4 %              |
| Strongly agree                                                                                                                | 9             | 14.3 %            | 93.7 %              |
| Strongly disagree                                                                                                             | 4             | 6.3 %             | 100.0 %             |

Regarding the perception that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale, 47.6% agreed, 12.7% disagreed, 19.0% neither agreed nor disagreed, 14.3% strongly agreed, and 6.3% strongly disagreed.

Frequencies of Q. 17 Do you agree that mega bank mergers help in improving the professional standards of banks?

| <b>Q. 17 Do you agree that mega bank mergers help in improving the professional standards of banks?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|---------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                   | 25            | 39.7 %            | 39.7 %              |
| Disagree                                                                                                | 11            | 17.5 %            | 57.1 %              |
| Neither agree nor disagree                                                                              | 14            | 22.2 %            | 79.4 %              |
| Strongly agree                                                                                          | 7             | 11.1 %            | 90.5 %              |
| Strongly disagree                                                                                       | 6             | 9.5 %             | 100.0 %             |

For the question about whether mega bank mergers help in improving the professional standards of banks, 39.7% agreed, 17.5% disagreed, 22.2% neither agreed nor disagreed, 11.1% strongly agreed, and 9.5% strongly disagreed.

Frequencies of Q. 18 Do you agree that mega bank mergers improve chances of survival of underperforming banks as customer trust remains intact which is vital for the Economy?

| <b>Q. 18 Do you agree that mega bank mergers improve chances of survival of underperforming banks as customer trust remains intact which is vital for the Economy?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                                                  | 38            | 60.3 %            | 60.3 %              |
| Disagree                                                                                                                                                               | 11            | 17.5 %            | 77.8 %              |
| Neither agree nor disagree                                                                                                                                             | 7             | 11.1 %            | 88.9 %              |
| Strongly agree                                                                                                                                                         | 7             | 11.1 %            | 100.0 %             |

Respondents were asked if mega bank mergers improve the chances of survival of underperforming banks as customer trust remains intact, which is vital for the economy. 60.3% agreed, 17.5% disagreed, 11.1% neither agreed nor disagreed, 11.1% strongly agreed and none strongly disagreed.

Frequencies of Q. 19 When it comes to expanding the availability of credit, do you agree with the government's stated goals for the consolidation of banks?

| <b>Q. 19 When it comes to expanding the availability of credit, do you agree with the government's stated goals for the consolidation of banks?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                               | 24            | 38.1 %            | 38.1 %              |
| Disagree                                                                                                                                            | 11            | 17.5 %            | 55.6 %              |
| Neither agree nor disagree                                                                                                                          | 16            | 25.4 %            | 81.0 %              |
| Strongly agree                                                                                                                                      | 12            | 19.0 %            | 100.0 %             |

Regarding the government's stated goals for the consolidation of banks expanding the availability of credit, 38.1% agreed, 17.5% disagreed, 25.4% neither agreed nor disagreed, 9.5% strongly agreed, and none strongly disagreed.

Frequencies of Q. 20 Do you agree that the provision of new services and facilities for customers in both the domestic and international markets is significantly impacted by mega bank mergers?

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| <b>Q. 20 Do you agree that the provision of new services and facilities for customers in both the domestic and international markets is significantly impacted by mega bank mergers?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                                                                    | 29            | 46.0 %            | 46.0 %              |
| Disagree                                                                                                                                                                                 | 12            | 19.0 %            | 65.1 %              |
| Neither agree nor disagree                                                                                                                                                               | 16            | 25.4 %            | 90.5%               |
| Strongly agree                                                                                                                                                                           | 3             | 4.8 %             | 95.2 %              |
| Strongly disagree                                                                                                                                                                        | 3             | 4.8 %             | 100.0 %             |

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In response to whether mergers significantly impact the provision of new services and facilities for customers in both domestic and international markets, 46.0% agreed, 19.0% disagreed, 25.4% neither agreed nor disagreed, 4.8% strongly agreed, and 4.8% strongly disagreed.

Frequencies of Q. 21 Do you agree that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers?

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| <b>Q. 21 Do you agree that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                        | 32            | 50.8 %            | 50.8 %              |
| Disagree                                                                                                                                     | 12            | 19.0 %            | 69.8 %              |
| Neither agree nor disagree                                                                                                                   | 14            | 22.2 %            | 92.1 %              |
| Strongly agree                                                                                                                               | 4             | 6.3 %             | 98.4 %              |
| Strongly disagree                                                                                                                            | 1             | 1.6 %             | 100.0 %             |

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Regarding the belief that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers, 50.8% agreed, 19.0% disagreed, 22.2% neither agreed nor disagreed, 6.3% strongly agreed, and 1.6% strongly disagreed.

Frequencies of Q. 22 Do you agree that the increased availability of financial services is a result of bank consolidation?

| <b>Q. 22 Do you agree that the increased availability of financial services is a result of bank consolidation?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|--------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                              | 22            | 34.9 %            | 34.9 %              |
| Disagree                                                                                                           | 22            | 34.9 %            | 69.8 %              |
| Neither agree nor disagree                                                                                         | 11            | 17.5 %            | 87.3 %              |
| Strongly agree                                                                                                     | 2             | 3.2 %             | 90.5 %              |
| Strongly disagree                                                                                                  | 6             | 9.5 %             | 100.0 %             |

For the question about whether increased availability of financial services is a result of bank consolidation, 34.9% agreed, 34.9% disagreed, 17.5% neither agreed nor disagreed, 3.2% strongly agreed, and 9.5% strongly disagreed.

| <b>Q. 23 Do you agree that customers perceive improvements in the quality of the services they receive as a result of mergers and acquisitions?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                               | 20            | 31.7 %            | 31.7 %              |
| Disagree                                                                                                                                            | 20            | 31.7 %            | 63.5 %              |
| Neither agree nor disagree                                                                                                                          | 17            | 27.0 %            | 90.5 %              |
| Strongly agree                                                                                                                                      | 2             | 3.2 %             | 93.7 %              |
| Strongly disagree                                                                                                                                   | 4             | 6.3 %             | 100.0 %             |

Respondents were asked if customers perceive improvements in the quality of the services they receive as a result of mergers and acquisitions. 31.7% agreed, 31.7% disagreed, 27.0% neither agreed nor disagreed, 3.2% strongly agreed, and 6.3% strongly disagreed.

Frequencies of Q. 24 Do you agree that due to the merger and acquisition, customer services have been improved, and as a consequence, customers are better satisfied?

| <b>Q. 24 Do you agree that due to the merger and acquisition, customer services have been improved, and as a consequence, customers are better satisfied?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                                                         | 12            | 19.0 %            | 19.0 %              |
| Disagree                                                                                                                                                      | 22            | 34.9 %            | 54.0 %              |
| Neither agree nor disagree                                                                                                                                    | 17            | 27.0 %            | 81.0 %              |
| Strongly agree                                                                                                                                                | 3             | 4.8 %             | 85.7 %              |
| Strongly disagree                                                                                                                                             | 9             | 14.3 %            | 100.0 %             |

Regarding the belief that mergers have improved customer services and, consequently, customers are better satisfied, 19.0% agreed, 34.9% disagreed, 27.0% neither agreed nor disagreed, 4.8% strongly agreed, and 14.3% strongly disagreed.

Frequencies of Q. 25 Do you agree that merger and acquisition, in banking industry has its negative impact on banking professionals?

| <b>Q. 25 Do you agree that merger and acquisition, in banking industry has its negative impact on banking professionals?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                        | 26            | 41.3 %            | 41.3 %              |
| Disagree                                                                                                                     | 9             | 14.3 %            | 55.6 %              |
| Neither agree nor disagree                                                                                                   | 13            | 20.6 %            | 76.2 %              |
| Strongly agree                                                                                                               | 11            | 17.5 %            | 93.7 %              |
| Strongly disagree                                                                                                            | 4             | 6.3 %             | 100.0 %             |

When asked if merger and acquisition in the banking industry has a negative impact on banking professionals, 41.3 % agreed, 14.3 % disagreed, 20.6 % neither agreed or disagreed, 17.5% strongly agreed, and 6.3% strongly disagreed.

Frequencies of Q. 26 How often do you feel the amalgamated bank's banking professional have shifted their focus to prioritize customer satisfaction?

| <b>Q. 26 How often do you feel the amalgamated bank's banking professional have shifted their focus to prioritize customer satisfaction?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Never                                                                                                                                        | 6             | 9.5 %             | 9.5 %               |
| Often                                                                                                                                        | 17            | 27.0 %            | 36.5 %              |
| Rarely                                                                                                                                       | 18            | 28.6 %            | 65.1 %              |
| Sometimes                                                                                                                                    | 17            | 27.0%             | 92.1 %              |
| Very often                                                                                                                                   | 5             | 7.9 %             | 100.0 %             |

Respondents were asked how often they feel that amalgamated bank's banking professional have shifted their focus to prioritize customer satisfaction, 27.0% felt it often, 28.6% rarely, 9.5% very often, 27.0% sometimes and 9.5% never.

**Q. 27. Are you in agreement with the statement that banking professionals are pleased about the new opportunities that will result from a merger or acquisition?**

|     | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-----|---------------|-------------------|---------------------|
| Yes | 42            | 66.7 %            | 66.7 %              |
| No  | 21            | 33.3%             | 100.0 %             |

In response to whether banking professionals are pleased about the new opportunities resulting from a merger or acquisition, 33.3 % agreed, while 66.7% disagreed.

Frequencies of Q. 28 Do you agree that merger and acquisition effected performance of banking professionals due to overburdened work?

| <b>Q. 28 Do you agree that merger and acquisition effected performance of banking professionals due to overburdened work?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|-------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                         | 26            | 41.3 %            | 41.3 %              |
| Disagree                                                                                                                      | 6             | 9.5 %             | 50.8 %              |
| Neither agree nor disagree                                                                                                    | 12            | 19.0%             | 69.8 %              |
| Strongly agree                                                                                                                | 17            | 27.0 %            | 96.8 %              |
| Strongly disagree                                                                                                             | 2             | 3.2 %             | 100.0 %             |

Regarding the agreement on whether merger and acquisition affected the performance of banking professionals due to overburdened work, 41.3% agreed, 9.5% disagreed, 19.0% neither agreed or disagreed, 27.0% strongly agreed and 3.2% strongly disagreed.

Frequencies of Q. 29 Do you agree that bank mergers ultimately have little influence on common man's routine banking?

| <b>Q. 29 Do you agree that bank mergers ultimately have little influence on common man's routine banking?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|---------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                         | 29            | 46.0 %            | 46.0 %              |
| Disagree                                                                                                      | 14            | 22.2 %            | 68.3 %              |
| Neither agree nor disagree                                                                                    | 3             | 4.8 %             | 73.0 %              |
| Strongly agree                                                                                                | 11            | 17.5 %            | 90.5 %              |
| Strongly disagree                                                                                             | 6             | 9.5 %             | 100.0 %             |

When asked if mergers ultimately have little influence on common man's routine banking, 46.0% agreed, 22.2% disagreed, 17.5% neither agreed nor disagreed, 11.1% strongly agreed, and 9.5% strongly disagreed.

Frequencies of Q. 30 Do you agree that mergers may lead to higher-quality products and services that benefit the common man?

| <b>Q. 30 Do you agree that mergers may lead to higher-quality products and services that benefit the common man?</b> | <b>Counts</b> | <b>% of Total</b> | <b>Cumulative %</b> |
|----------------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------|
| Agree                                                                                                                | 20            | 31.7 %            | 31.7 %              |
| Disagree                                                                                                             | 12            | 19.0 %            | 50.8 %              |
| Neither agree nor disagree                                                                                           | 17            | 27.0 %            | 77.8 %              |
| Strongly agree                                                                                                       | 5             | 7.9 %             | 85.7 %              |
| Strongly disagree                                                                                                    | 9             | 14.3 %            | 100.0 %             |

Lastly, regarding the belief that mergers may lead to higher-quality products and services benefiting the common man, 31.7% agreed, 19.0% disagreed, 27.0% neither agreed nor disagreed, 7.9% strongly agreed, and 14.3% strongly disagreed.

#### **4.3 Hypothesis for the study**

HO1: Mega merger of banks has significant positive impact on the international ranking of Indian Banks.

HO2: Mega merger of banks has noteworthy upsurge in terms of market size of Indian Banks.

HO3: Mega merger of banks will result in growth and expansion of Indian Banks.

HO4: Mega merger of banks will contribute much to increase the credit rating of India.

#### **4.4 Assessment of direct effect in relationships with the variables**

Data collected are analysed using statistical Chi-Square Tests (Pearson Chi-Square and Likelihood Ratio and Symmetric measures (Phi Cramer's V and Contingency Co efficient). The results obtained with the analysis is listed under.

#### 4.4.1 Influence of the type of bank on organizational changes

Q. 7 Have there been any significant organisational changes, such as mergers, acquisitions, or reorganisations, at your current bank in the recent five years? \* Q. 3 Which category does your bank fall under?

**Table 4.1: Influence of the type of bank on organizational changes**

|                                                                                                                                                                |     | Crosstab                                                |                     |                          |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                                                                |     | Q. 3 Which category does your bank fall under?          |                     |                          | Total  |
|                                                                                                                                                                |     | Others                                                  | Private Sector Bank | Public Sector Bank (PSB) |        |
| Q. 7 Have there been any significant organisational changes, such as mergers, acquisitions, or reorganisations, at your current bank in the recent five years? | No  | Count                                                   | 2                   | 2                        | 3      |
|                                                                                                                                                                |     | % within Q. 3 Which category does your bank fall under? | 20.0%               | 12.5%                    | 8.1%   |
|                                                                                                                                                                | Yes | Count                                                   | 8                   | 14                       | 34     |
|                                                                                                                                                                |     | % within Q. 3 Which category does your bank fall under? | 80.0%               | 87.5%                    | 91.9%  |
| Total                                                                                                                                                          |     | Count                                                   | 10                  | 16                       | 37     |
|                                                                                                                                                                |     | % within Q. 3 Which category does your bank fall under? | 100.0%              | 100.0%                   | 100.0% |

#### Chi-Square Tests

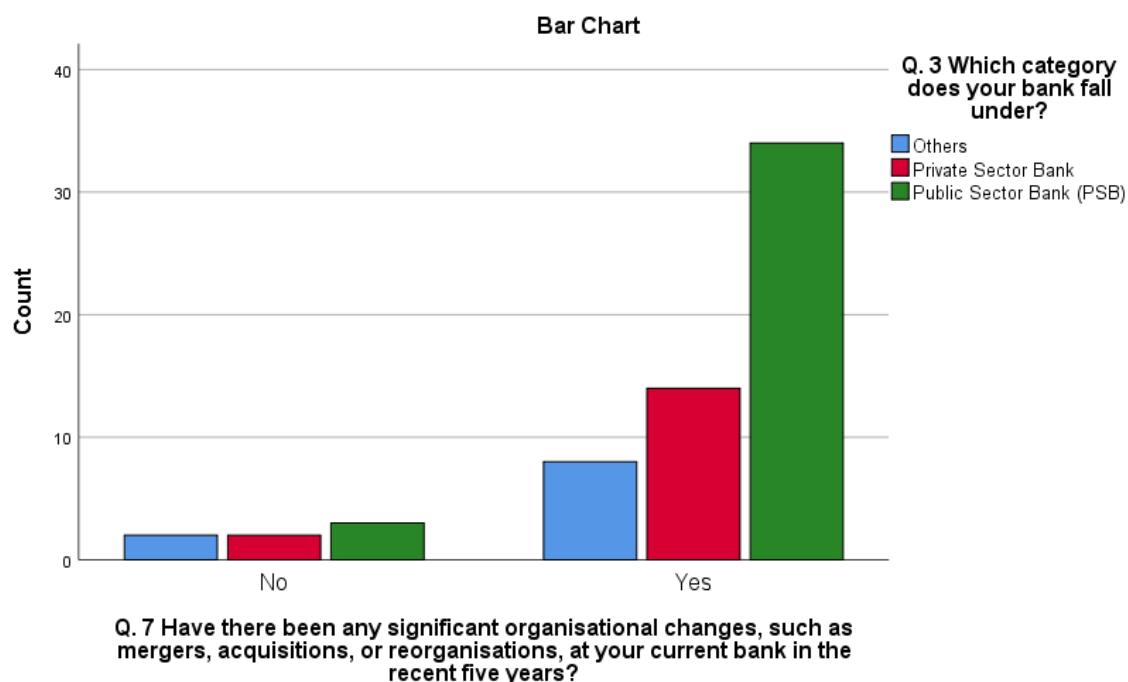
|                    | Value              | Df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 1.169 <sup>a</sup> | 2  | .557                              |
| Likelihood Ratio   | 1.064              | 2  | .587                              |
| N of Valid Cases   | 63                 |    |                                   |

a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is 1.11.

#### Symmetric Measures

| Value | Approximate Significance |
|-------|--------------------------|
|       |                          |

|                    |                         |      |      |
|--------------------|-------------------------|------|------|
| Nominal by Nominal | Phi                     | .136 | .557 |
|                    | Cramer's V              | .136 | .557 |
|                    | Contingency Coefficient | .135 | .557 |
| N of Valid Cases   |                         | 63   |      |



**Figure 4.1: Influence of the type of bank on organizational changes**

Interpretation: The crosstab analysis between two survey questions, Q. 3 "Which category does your bank fall under?" and Q. 7 "Have there been any significant organizational changes, such as mergers, acquisitions, or reorganizations, at your current bank in the recent five years?" provides interesting insights. Among respondents in the "Others" category, 20% reported "No" to organizational changes, while 80% said "Yes." In the "Private Sector Bank" category, 12.5% indicated "No," and the majority (87.5%) indicated "Yes." Similarly, in the "Public Sector Bank (PSB)" category, only 8.1% responded "No," while the overwhelming majority (91.9%) responded "Yes" to organizational changes. The chi-square tests (Pearson Chi-Square and Likelihood Ratio) suggest that there is no statistically significant association between the type of bank and the occurrence of significant organizational changes in the recent five years, as both p-values are greater than 0.05. These findings imply that the type of bank (public sector,

private sector, or other) does not significantly influence the likelihood of experiencing significant organizational changes, such as mergers, acquisitions, or reorganizations.

#### 4.4.2 Involvement of bank executives in the merger process

Q. 8 What level of involvement did you have in the process of the acquisition or merger? \* Q. 3 Which category does your bank fall under?

**Table 4.2: Involvement of bank executives in the merger process**

|                                                                                          |             |                                                         | Crosstab                                       |                     |                          |       |
|------------------------------------------------------------------------------------------|-------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                          |             |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total |
|                                                                                          |             |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |       |
| Q. 8 What level of involvement did you have in the process of the acquisition or merger? | Extensive   | Count                                                   | 1                                              | 0                   | 1                        | 2     |
|                                                                                          |             | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 0.0%                | 2.7%                     | 3.2%  |
|                                                                                          | Moderate    | Count                                                   | 3                                              | 0                   | 7                        | 10    |
|                                                                                          |             | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 0.0%                | 18.9%                    | 15.9% |
|                                                                                          | Not at all  | Count                                                   | 3                                              | 16                  | 16                       | 35    |
|                                                                                          |             | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 100.0%              | 43.2%                    | 55.6% |
|                                                                                          | Quite a lot | Count                                                   | 1                                              | 0                   | 7                        | 8     |
|                                                                                          |             | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 0.0%                | 18.9%                    | 12.7% |
|                                                                                          | Very little | Count                                                   | 2                                              | 0                   | 6                        | 8     |
|                                                                                          |             | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 0.0%                | 16.2%                    | 12.7% |
|                                                                                          | Total       |                                                         | 10                                             | 16                  | 37                       | 63    |

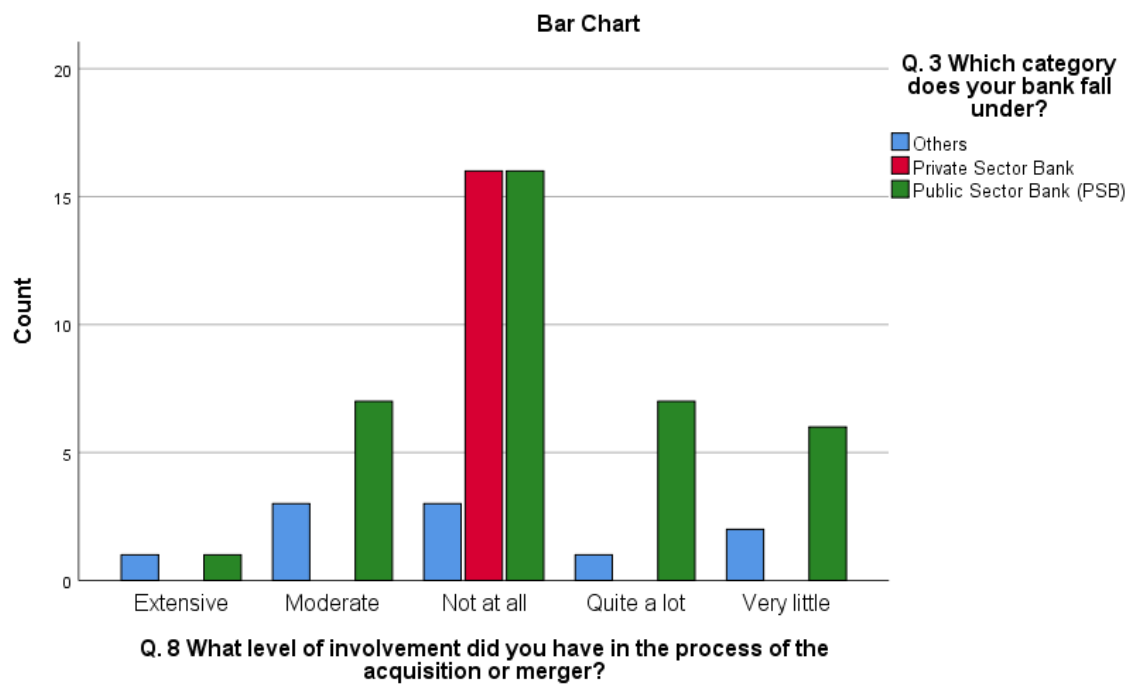
#### Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 19.917 <sup>a</sup> | 8  | .011                              |
| Likelihood Ratio   | 25.200              | 8  | .001                              |
| N of Valid Cases   | 63                  |    |                                   |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .32.

### Symmetric Measures

|                    |                         | Value | Approximate Significance |
|--------------------|-------------------------|-------|--------------------------|
| Nominal by Nominal | Phi                     | .562  | .011                     |
|                    | Cramer's V              | .398  | .011                     |
|                    | Contingency Coefficient | .490  | .011                     |
| N of Valid Cases   |                         | 63    |                          |



**Figure 4.2: Involvement of bank executives in the merger process**

The crosstab analysis between two survey questions, Q. 3 "Which category does your bank fall under?" and Q. 8 "What level of involvement did you have in the process of the acquisition or merger?" reveals interesting findings.

Among respondents in the "Others" category, 10% reported "Extensive" involvement in the merger or acquisition process, while 30% reported "Moderate" involvement, 30% reported "Not at all" involvement, 10% reported "Quite a lot" involvement, and 20% reported "Very little" involvement.

For the "Private Sector Bank" category, there was no reported "Extensive" involvement, and the majority (100%) reported "Not at all" involvement.

In the "Public Sector Bank (PSB)" category, 2.7% reported "Extensive" involvement, 18.9% reported "Moderate" involvement, 43.2% reported "Not at all" involvement, 18.9% reported "Quite a lot" involvement, and 16.2% reported "Very little" involvement.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate a statistically significant association between the type of bank and the level of involvement in the merger or acquisition process. The p-values for both tests are less than 0.05, suggesting that the type of bank is related to the level of involvement.

The symmetric measures (Phi, Cramer's V, and Contingency Coefficient) also confirm a moderate association between the two questions.

In summary, there is a statistically significant association between the type of bank (public sector, private sector, or other) and the level of involvement in the merger or acquisition process. Public sector banks appear to have a more diverse range of involvement levels, while private sector banks predominantly reported "Not at all" involvement.

#### **4.4.3 Perception of Bank Executives on mergers in the banking industry**

Q. 9 Which of the following do you think is not true about merger and acquisition in banking industry? \* Q. 3 Which category does your bank fall under?

**Table 4.3: Perception of Bank Executives on mergers in the banking industry**

| Crosstab                                                                                               |                                                                |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |       |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                        |                                                                |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total |
| Q. 9 Which of the following do you think is not true about merger and acquisition in banking industry? | Meets credit demand and supports economic growth               | Count                                                   | 1                                              | 1                   | 5                        | 7     |
|                                                                                                        |                                                                | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 6.3%                | 13.5%                    | 11.1% |
|                                                                                                        | Meets out personal growth and profitability of individual bank | Count                                                   | 0                                              | 0                   | 6                        | 6     |
|                                                                                                        |                                                                | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 0.0%                | 16.2%                    | 9.5%  |
|                                                                                                        | None of the above                                              | Count                                                   | 1                                              | 6                   | 13                       | 20    |
|                                                                                                        |                                                                | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 37.5%               | 35.1%                    | 31.7% |
|                                                                                                        | Protects the financial system and depositors' money            | Count                                                   | 3                                              | 1                   | 3                        | 7     |
|                                                                                                        |                                                                | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 6.3%                | 8.1%                     | 11.1% |
|                                                                                                        | Count                                                          |                                                         | 5                                              | 8                   | 10                       | 23    |

### Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 12.609 <sup>a</sup> | 8  | .126                              |
| Likelihood Ratio   | 14.390              | 8  | .072                              |
| N of Valid Cases   | 63                  |    |                                   |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .95.

### Symmetric Measures

|                        | Value | Approximate Significance |
|------------------------|-------|--------------------------|
| Nominal by Nominal Phi | .447  | .126                     |

|                  |                         |      |      |
|------------------|-------------------------|------|------|
|                  | Cramer's V              | .316 | .126 |
|                  | Contingency Coefficient | .408 | .126 |
| N of Valid Cases |                         | 63   |      |

The crosstab analysis between two survey questions, Q. 3 "Which category does your bank fall under?" and Q. 9 "Which of the following do you think is not true about merger and acquisition in the banking industry?" provides insights into respondents' perceptions.

Among respondents in the "Others" category, 10% believe that mergers and acquisitions do not meet credit demand and support economic growth, 0% believe they do not meet personal growth and profitability of individual banks, 10% believe none of the statements are true, 30% believe mergers and acquisitions do not protect the financial system and depositors' money, and 50% believe the government will devote more attention to the merged institution.

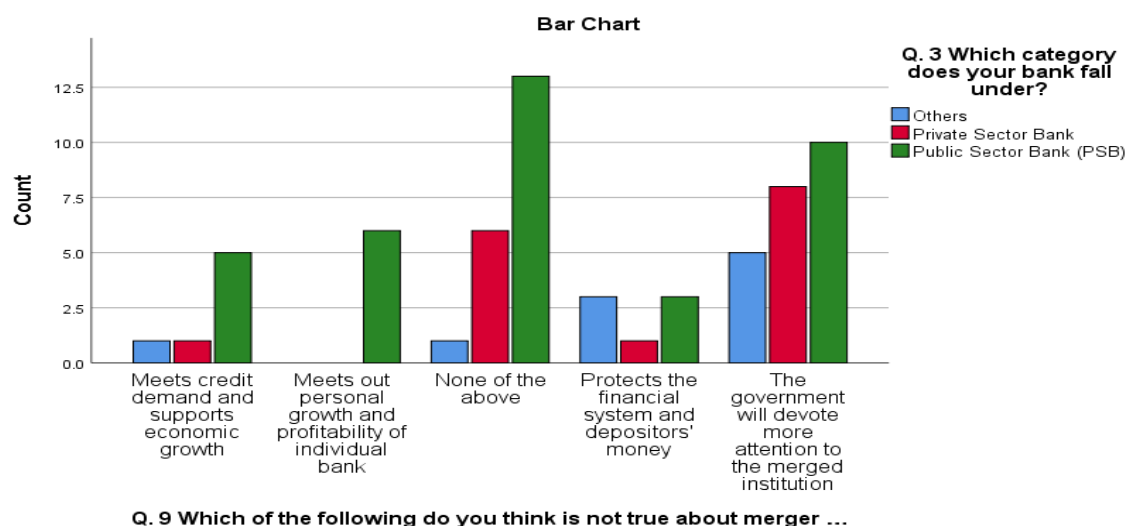
For respondents from "Private Sector Banks," 6.3% believe mergers and acquisitions do not meet credit demand and support economic growth, 0% believe they do not meet personal growth and profitability of individual banks, 37.5% believe none of the statements are true, 6.3% believe mergers and acquisitions do not protect the financial system and depositors' money, and 50% believe the government will devote more attention to the merged institution.

In the "Public Sector Bank (PSB)" category, 13.5% believe mergers and acquisitions do not meet credit demand and support economic growth, 16.2% believe they do not meet personal growth and profitability of individual banks, 35.1% believe none of the statements are true, 8.1% believe mergers and acquisitions do not protect the financial system and depositors' money, and 27% believe the government will devote more attention to the merged institution.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate no statistically significant association between the type of bank and the perception of what is not true about mergers and acquisitions in the banking industry. The p-values for both tests are greater than 0.05.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) also confirm no strong association between the two questions.

In summary, there is no statistically significant association between the type of bank and the perception of what is not true about mergers and acquisitions in the banking industry, as respondents from different bank categories hold various opinions on this matter.



**Figure 4.3: Perception of Bank Executives on mergers in the banking industry**

#### 4.4.4 Merger and Government Funding to Banks

Q.10 Do you agree that Public Sector Banks (PSBs) mergers lessen reliance on government funding by increasing internal and market resources? \* Q. 3 Which category does your bank fall under?

**Table 4.4: Merger and Government Funding to Banks**

**Crosstab**

|                                                                                                                                              |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                                              |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |       |
| Q.10 Do you agree that Public Sector Banks (PSBs) mergers lessen reliance on government funding by increasing internal and market resources? | Agree                      | Count                                                   | 6                                              | 5                   | 8                        | 19    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 60.0%                                          | 31.3%               | 21.6%                    | 30.2% |
|                                                                                                                                              | Disagree                   | Count                                                   | 1                                              | 5                   | 6                        | 12    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 31.3%               | 16.2%                    | 19.0% |
|                                                                                                                                              | Neither agree nor disagree | Count                                                   | 2                                              | 2                   | 14                       | 18    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 12.5%               | 37.8%                    | 28.6% |
|                                                                                                                                              | Strongly agree             | Count                                                   | 1                                              | 2                   | 6                        | 9     |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 16.2%                    | 14.3% |
|                                                                                                                                              | Strongly disagree          | Count                                                   | 0                                              | 2                   | 3                        | 5     |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 12.5%               | 7.7%                     | 10.5% |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 9.981 <sup>a</sup> | 8  | .266                                     |
| Likelihood Ratio   | 10.367             | 8  | .240                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .79.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .398  | .266                        |
| Cramer's V              | .281  | .266                        |
| Contingency Coefficient | .370  | .266                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between two survey questions, Q. 3 "Which category does your bank fall under?" and Q. 10 "Do you agree that Public Sector Banks (PSBs) mergers lessen reliance on government funding by increasing internal and market resources?" reveals respondents' opinions on this matter.

Among respondents in the "Others" category, 60% agree that PSB mergers reduce reliance on government funding, 10% disagree, 20% neither agree nor disagree, and 10% strongly agree. None strongly disagree.

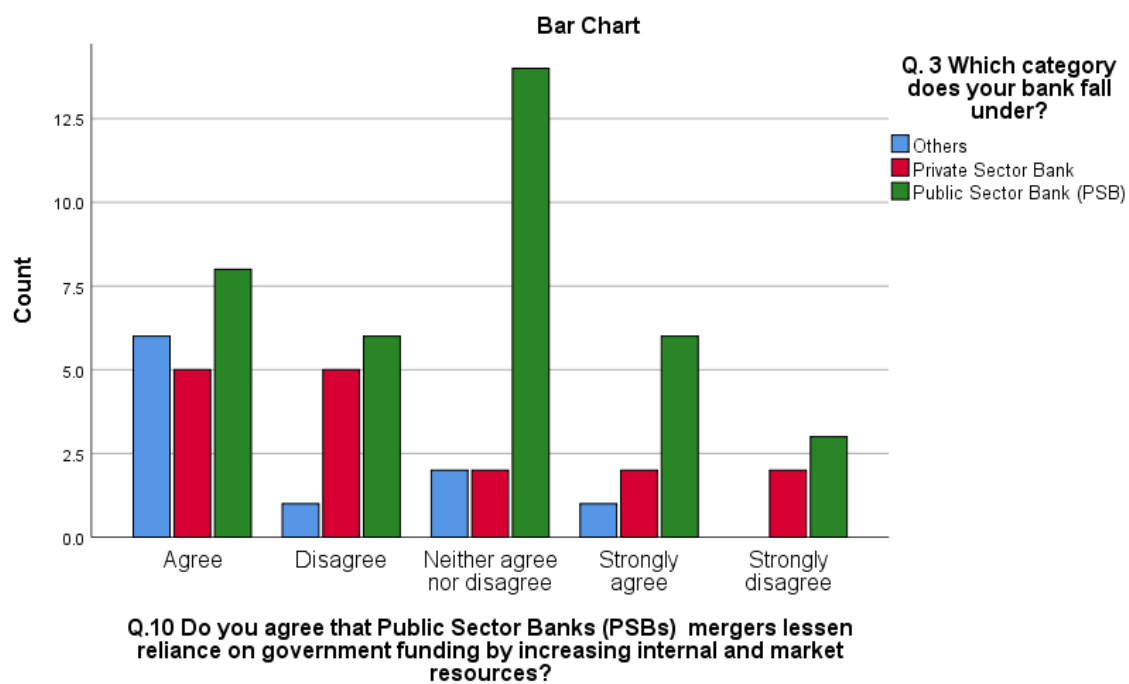
For respondents from "Private Sector Banks," 31.3% agree that PSB mergers reduce reliance on government funding, 31.3% disagree, 12.5% neither agree nor disagree, and 12.5% strongly agree. 12.5% strongly disagree.

In the "Public Sector Bank (PSB)" category, 21.6% agree that PSB mergers reduce reliance on government funding, 16.2% disagree, 37.8% neither agree nor disagree, 16.2% strongly agree, and 8.1% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and the agreement or disagreement with the statement about PSB mergers reducing reliance on government funding. The p-values for both tests are greater than 0.05.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm no strong association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that PSB mergers lessen reliance on government funding by increasing internal and market resources. Respondents from different bank categories hold varying opinions on this matter.



**Figure 4.4: Merger and Government Funding to Banks**

#### 4.4.5 Upsurge in Capital Creation Opportunities after Bank Merger

Q. 11 Do you agree that PSB mergers increase the merged entity's internal and external capital creation opportunities? \* Q. 3 Which category does your bank fall under?

**Table 4.5: Upsurge in Capital Creation Opportunities after Bank Merger**

| Crosstab                                                                                                               |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total  |
|------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                        |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |        |
| Q. 11 Do you agree that PSB mergers increase the merged entity's internal and external capital creation opportunities? | Agree                      | Count                                                   | 5                                              | 7                   | 18                       | 30     |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 50.0%                                          | 43.8%               | 48.6%                    | 47.6%  |
|                                                                                                                        | Disagree                   | Count                                                   | 2                                              | 4                   | 6                        | 12     |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 25.0%               | 16.2%                    | 19.0%  |
|                                                                                                                        | Neither agree nor disagree | Count                                                   | 1                                              | 2                   | 8                        | 11     |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 21.6%                    | 17.5%  |
|                                                                                                                        | Strongly agree             | Count                                                   | 2                                              | 1                   | 4                        | 7      |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 6.3%                | 10.8%                    | 11.1%  |
|                                                                                                                        | Strongly disagree          | Count                                                   | 0                                              | 2                   | 1                        | 3      |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 12.5%               | 2.7%                     | 4.8%   |
|                                                                                                                        | Total                      | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

#### Chi-Square Tests

|                    | Value              | Df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 5.312 <sup>a</sup> | 8  | .724                              |
| Likelihood Ratio   | 5.189              | 8  | .737                              |
| N of Valid Cases   | 63                 |    |                                   |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .48.

## Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .290  | .724                        |
|                    | Cramer's V              | .205  | .724                        |
|                    | Contingency Coefficient | .279  | .724                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 11 "Do you agree that PSB mergers increase the merged entity's internal and external capital creation opportunities?" reveals respondents' opinions on this matter.

Among respondents in the "Others" category, 50% agree that PSB mergers increase capital creation opportunities, 20% disagree, 10% neither agree nor disagree, and 20% strongly agree. None strongly disagree.

For respondents from "Private Sector Banks," 43.8% agree that PSB mergers increase capital creation opportunities, 25% disagree, 12.5% neither agree nor disagree, and 6.3% strongly agree. 12.5% strongly disagree.

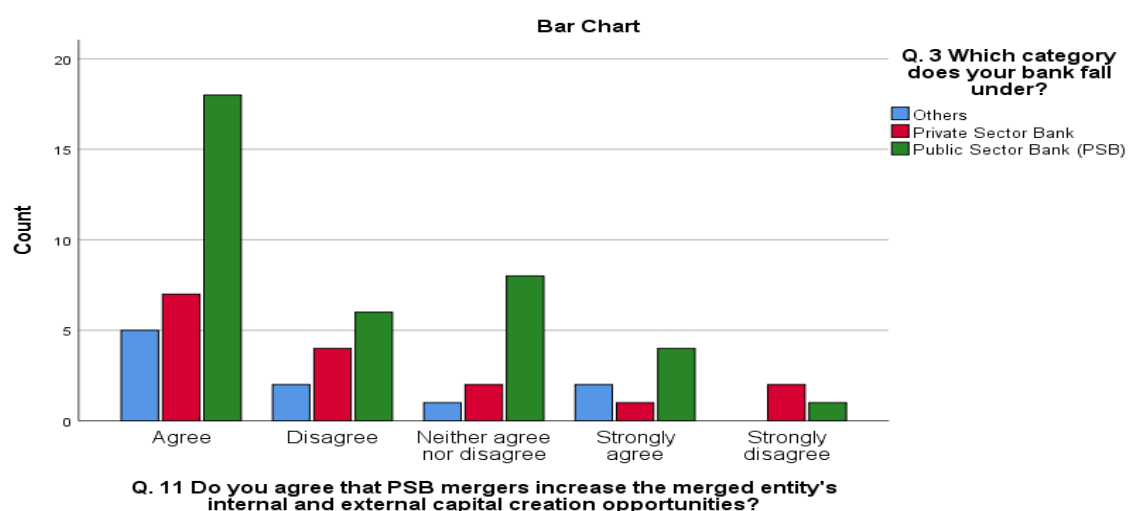
In the "Public Sector Bank (PSB)" category, 48.6% agree that PSB mergers increase capital creation opportunities, 16.2% disagree, 21.6% neither agree nor disagree, 10.8% strongly agree, and 2.7% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and the agreement or disagreement with the statement about PSB mergers increasing capital creation opportunities. The p-values for both tests are greater than 0.05.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm no strong association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that PSB mergers increase the

merged entity's internal and external capital creation opportunities. Respondents from different bank categories hold varying opinions on this matter.



**Figure 4.5: Upsurge in Capital Creation Opportunities after Bank Merger**

#### 4.4.6 PSB Merger and Governments Non-Tax Revenue Generation

Q. 12 Do you agree that PSB mergers increases the governments non-tax revenue? \* Q. 3 Which category does your bank fall under?

**Table 4.6: PSB Merger and Governments Non-Tax Revenue Generation**

|                                                                                |                                                         |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total  |
|--------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                |                                                         |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |        |
| Q. 12 Do you agree that PSB mergers increases the governments non-tax revenue? | Agree                                                   | Count                                                   | 3                                              | 4                   | 12                       | 19     |
|                                                                                |                                                         | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 25.0%               | 32.4%                    | 30.2%  |
|                                                                                | Disagree                                                | Count                                                   | 2                                              | 2                   | 7                        | 11     |
|                                                                                |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 12.5%               | 18.9%                    | 17.5%  |
|                                                                                | Neither agree nor disagree                              | Count                                                   | 4                                              | 5                   | 16                       | 25     |
|                                                                                |                                                         | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 31.3%               | 43.2%                    | 39.7%  |
|                                                                                | Strongly agree                                          | Count                                                   | 1                                              | 3                   | 0                        | 4      |
|                                                                                |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 18.8%               | 0.0%                     | 6.3%   |
|                                                                                | Strongly disagree                                       | Count                                                   | 0                                              | 2                   | 2                        | 4      |
|                                                                                |                                                         | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 12.5%               | 5.4%                     | 6.3%   |
| Total                                                                          | Count                                                   |                                                         | 10                                             | 16                  | 37                       | 63     |
|                                                                                | % within Q. 3 Which category does your bank fall under? |                                                         | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 8.992 <sup>a</sup> | 8  | .343                                     |
| Likelihood Ratio   | 10.438             | 8  | .236                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .63.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .378  | .343                        |
| Cramer's V              | .267  | .343                        |
| Contingency Coefficient | .353  | .343                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 12 "Do you agree that PSB mergers increase the government's non-tax revenue?" reveals respondents' opinions on this matter.

Among respondents in the "Others" category, 30% agree that PSB mergers increase non-tax revenue, 20% disagree, 40% neither agree nor disagree, and 10% strongly agree. None strongly disagree.

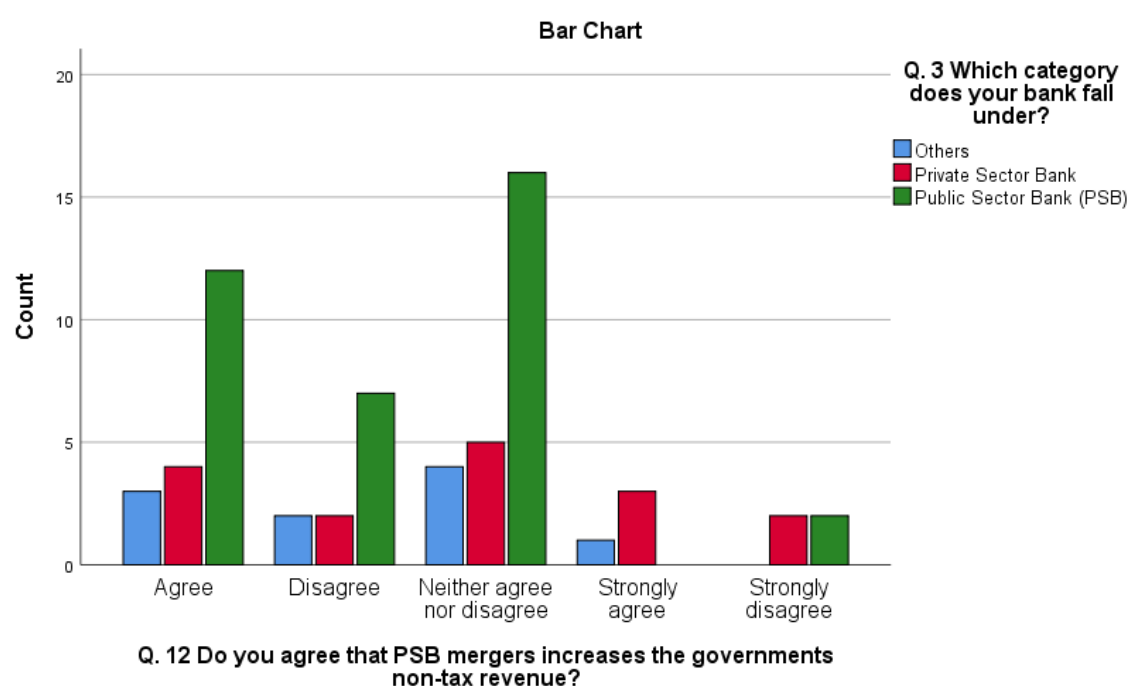
For respondents from "Private Sector Banks," 25% agree that PSB mergers increase non-tax revenue, 12.5% disagree, 31.3% neither agree nor disagree, and 18.8% strongly agree. 12.5% strongly disagree.

In the "Public Sector Bank (PSB)" category, 32.4% agree that PSB mergers increase non-tax revenue, 18.9% disagree, 43.2% neither agree nor disagree, 0% strongly agree, and 5.4% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and the agreement or disagreement with the statement about PSB mergers increasing government non-tax revenue. The p-values for both tests are greater than 0.05.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm no strong association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that PSB mergers increase the government's non-tax revenue. Respondents from different bank categories hold varying opinions on this matter.



**Figure 4.6: PSB Merger and Governments Non-Tax Revenue Generation**

#### **4.4.7 Association between PSB mergers & payment and settlement concentration due to fewer competitors**

Q. 13 Do you agree that PSBs mergers increase payment and settlement concentration because there are fewer competitors? \* Q. 3 Which category does your bank fall under?

**Table 4.7: Association between PSB mergers & payment and settlement concentration due to fewer competitors**

**Crosstab**

|                                                                                                                         |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                         |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 13 Do you agree that PSBs mergers increase payment and settlement concentration because there are fewer competitors? | Agree                      | Count                                                   | 4                                              | 4                   | 17                       | 25     |
|                                                                                                                         |                            | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 25.0%               | 45.9%                    | 39.7%  |
|                                                                                                                         | Disagree                   | Count                                                   | 1                                              | 4                   | 8                        | 13     |
|                                                                                                                         |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 25.0%               | 21.6%                    | 20.6%  |
|                                                                                                                         | Neither agree nor disagree | Count                                                   | 1                                              | 5                   | 8                        | 14     |
|                                                                                                                         |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 31.3%               | 21.6%                    | 22.2%  |
|                                                                                                                         | Strongly agree             | Count                                                   | 2                                              | 0                   | 0                        | 2      |
|                                                                                                                         |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 0.0%                | 0.0%                     | 3.2%   |
|                                                                                                                         | Strongly disagree          | Count                                                   | 2                                              | 3                   | 4                        | 9      |
|                                                                                                                         |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 18.8%               | 10.8%                    | 14.3%  |
|                                                                                                                         | Total                      | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                                         |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

### Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 14.578 <sup>a</sup> | 8  | .068                              |
| Likelihood Ratio   | 11.668              | 8  | .167                              |
| N of Valid Cases   | 63                  |    |                                   |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .32.

### Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .481  | .068                        |
|                    | Cramer's V              | .340  | .068                        |
|                    | Contingency Coefficient | .433  | .068                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 13 "Do you agree that PSBs mergers increase payment and settlement concentration because there are fewer competitors?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 40% agree that PSB mergers increase payment and settlement concentration due to fewer competitors, 10% disagree, 10% neither agree nor disagree, and 20% strongly agree. 20% strongly disagree.

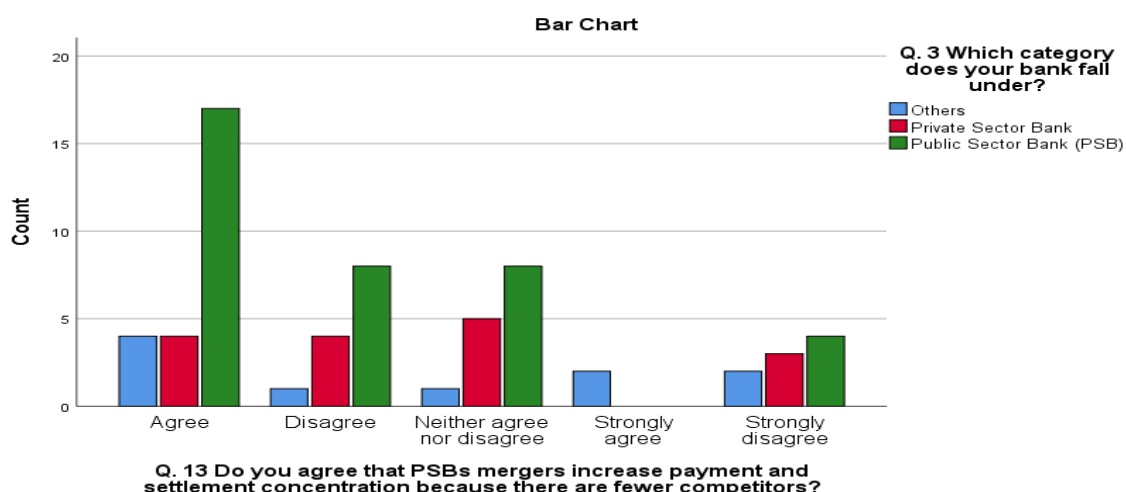
For respondents from "Private Sector Banks," 25% agree that PSB mergers increase payment and settlement concentration, 25% disagree, 31.3% neither agree nor disagree, and 0% strongly agree. 18.8% strongly disagree.

In the "Public Sector Bank (PSB)" category, 45.9% agree that PSB mergers increase payment and settlement concentration, 21.6% disagree, 21.6% neither agree nor disagree, 0% strongly agree, and 10.8% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and the agreement or disagreement with the statement about PSB mergers increasing payment and settlement concentration. The p-values for both tests are greater than 0.05.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm no strong association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that PSB mergers increase payment and settlement concentration due to fewer competitors. Respondents from different bank categories hold varying opinions on this matter.



**Figure 4.7: Association between PSB mergers & payment and settlement concentration due to fewer competitors**

#### 4.4.8 PSB mergers and operational risk

Q. 14 Do you agree that PSBs mergers decrease operational risks? \* Q. 3 Which category does your bank fall under?

**Table 4.8: PSB mergers and operational risk**

**Crosstab**

|                                                                  |                                                         | Q. 3 Which category does your bank fall under?          |                     |                          | Total  |
|------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|---------------------|--------------------------|--------|
|                                                                  |                                                         | Others                                                  | Private Sector Bank | Public Sector Bank (PSB) |        |
| Q. 14 Do you agree that PSBs mergers decrease operational risks? | Agree                                                   | Count                                                   | 4                   | 1                        | 9      |
|                                                                  |                                                         | % within Q. 3 Which category does your bank fall under? | 40.0%               | 6.3%                     | 24.3%  |
|                                                                  | Disagree                                                | Count                                                   | 3                   | 3                        | 13     |
|                                                                  |                                                         | % within Q. 3 Which category does your bank fall under? | 30.0%               | 18.8%                    | 35.1%  |
|                                                                  | Neither agree nor disagree                              | Count                                                   | 0                   | 7                        | 8      |
|                                                                  |                                                         | % within Q. 3 Which category does your bank fall under? | 0.0%                | 43.8%                    | 21.6%  |
|                                                                  | Strongly agree                                          | Count                                                   | 2                   | 1                        | 0      |
|                                                                  |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%               | 6.3%                     | 0.0%   |
|                                                                  | Strongly disagree                                       | Count                                                   | 1                   | 4                        | 7      |
|                                                                  |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%               | 25.0%                    | 18.9%  |
| Total                                                            | Count                                                   | 10                                                      | 16                  | 37                       | 63     |
|                                                                  | % within Q. 3 Which category does your bank fall under? | 100.0%                                                  | 100.0%              | 100.0%                   | 100.0% |

### Chi-Square Tests

|                    | Value               | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|---------------------|----|------------------------------------------|
| Pearson Chi-Square | 16.895 <sup>a</sup> | 8  | .031                                     |
| Likelihood Ratio   | 18.931              | 8  | .015                                     |
| N of Valid Cases   | 63                  |    |                                          |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .48.

### Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .518  | .031                        |
|                    | Cramer's V              | .366  | .031                        |
|                    | Contingency Coefficient | .460  | .031                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 14 "Do you agree that PSBs mergers decrease operational risks?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 40% agree that PSB mergers decrease operational risks, 30% disagree, 0% neither agree nor disagree, 20% strongly agree, and 10% strongly disagree.

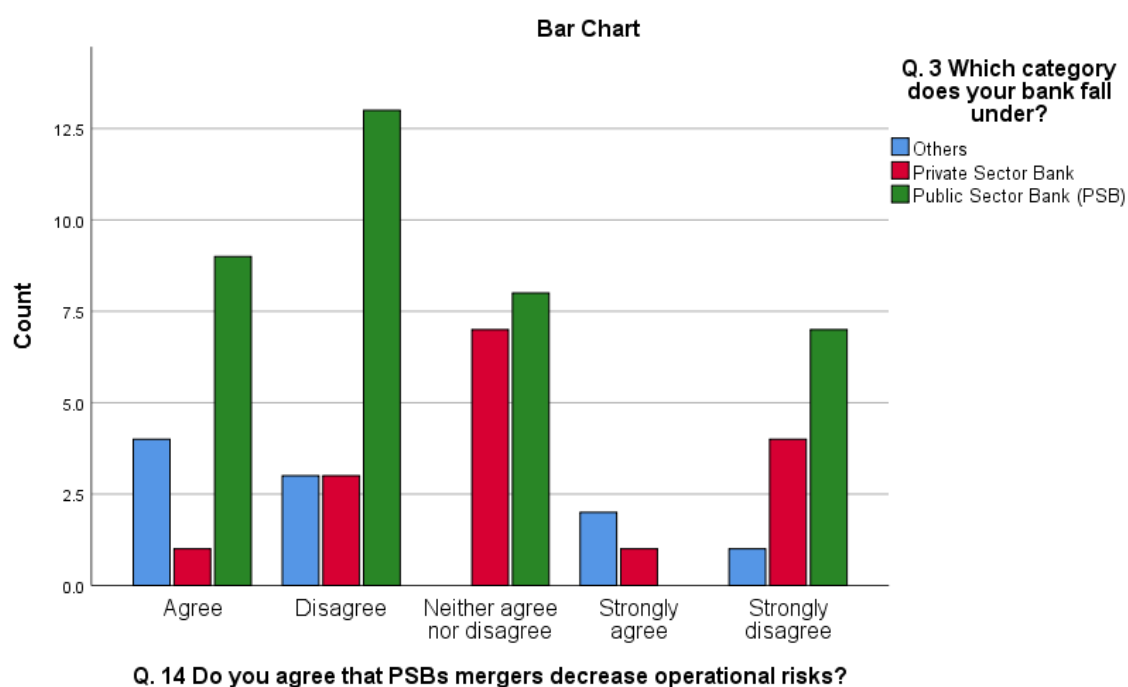
For respondents from "Private Sector Banks," 6.3% agree that PSB mergers decrease operational risks, 18.8% disagree, 43.8% neither agree nor disagree, 6.3% strongly agree, and 25% strongly disagree.

In the "Public Sector Bank (PSB)" category, 24.3% agree that PSB mergers decrease operational risks, 35.1% disagree, 21.6% neither agree nor disagree, 0% strongly agree, and 18.9% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is a statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about PSB mergers decreasing operational risks. The p-values for both tests are less than 0.05, indicating statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm a moderate association between the two questions.

In summary, there is a statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that PSB mergers decrease operational risks. Respondents from different bank categories hold varying opinions on this matter.



**Figure 4.8: PSB mergers and operational risk**

#### 4.4.9 PSB mergers and Stressed Assets

Q. 15 Do you agree that PSBs mergers help to better deal with their credit portfolio including Stress Assets or Non-Performing Assets (NPAs)? \* Q. 3 Which category does your bank fall under?

**Table 4.9: PSB mergers and Stressed Assets**

| Crosstab                                                                                                                                      |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |       |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                                               |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total |
| Q. 15 Do you agree that PSBs mergers help to better deal with their credit portfolio including Stress Assets or Non Performing Assets (NPAs)? | Agree                      | Count                                                   | 4                                              | 3                   | 16                       | 23    |
|                                                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 18.8%               | 43.2%                    | 36.5% |
|                                                                                                                                               | Disagree                   | Count                                                   | 1                                              | 2                   | 7                        | 10    |
|                                                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 18.9%                    | 15.9% |
|                                                                                                                                               | Neither agree nor disagree | Count                                                   | 3                                              | 5                   | 5                        | 13    |
|                                                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 31.3%               | 13.5%                    | 20.6% |
|                                                                                                                                               | Strongly agree             | Count                                                   | 2                                              | 1                   | 4                        | 7     |
|                                                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 6.3%                | 10.8%                    | 11.1% |
|                                                                                                                                               | Strongly disagree          | Count                                                   | 0                                              | 5                   | 5                        | 10    |
|                                                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 31.3%               | 13.5%                    | 15.9% |
|                                                                                                                                               | Total                      |                                                         | 10                                             | 16                  | 37                       | 63    |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 9.786 <sup>a</sup> | 8  | .280                              |
| Likelihood Ratio   | 11.037             | 8  | .200                              |
| N of Valid Cases   | 63                 |    |                                   |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is 1.11.

## Symmetric Measures

|                        | Value | Approximate Significance |
|------------------------|-------|--------------------------|
| Nominal by Nominal Phi | .394  | .280                     |

|                  |                         |      |      |
|------------------|-------------------------|------|------|
|                  | Cramer's V              | .279 | .280 |
|                  | Contingency Coefficient | .367 | .280 |
| N of Valid Cases |                         | 63   |      |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 15 "Do you agree that PSBs mergers help to better deal with their credit portfolio including Stress Assets or Non-Performing Assets (NPAs)?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 40% agree that PSB mergers help in dealing with their credit portfolio, 10% disagree, 30% neither agree nor disagree, 20% strongly agree, and 0% strongly disagree.

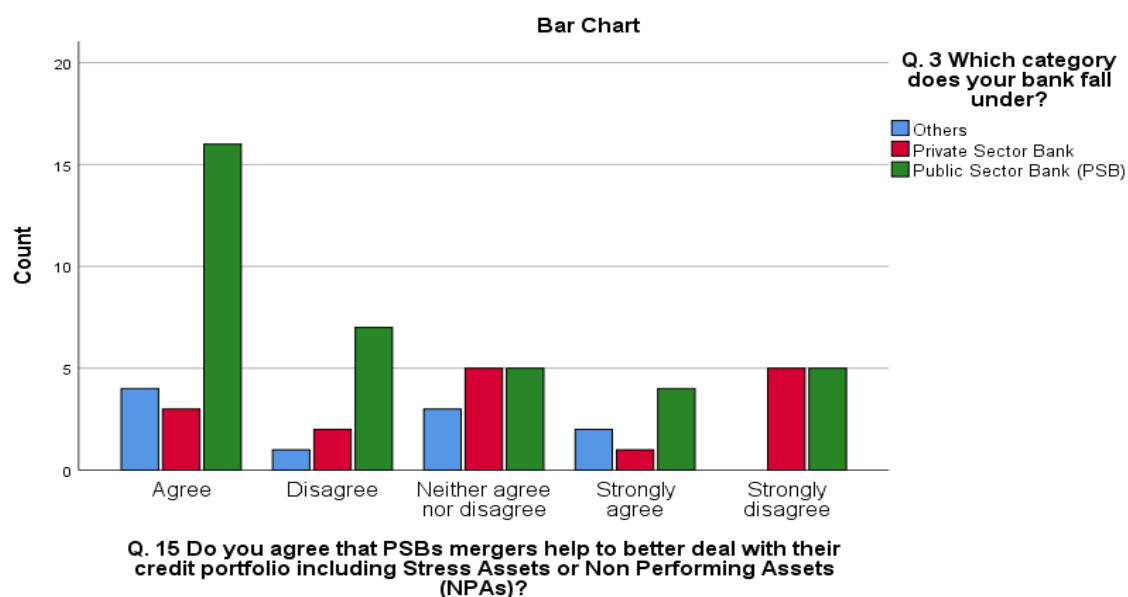
For respondents from "Private Sector Banks," 18.8% agree that PSB mergers help in dealing with their credit portfolio, 12.5% disagree, 31.3% neither agree nor disagree, 6.3% strongly agree, and 31.3% strongly disagree.

In the "Public Sector Bank (PSB)" category, 43.2% agree that PSB mergers help in dealing with their credit portfolio, 18.9% disagree, 13.5% neither agree nor disagree, 10.8% strongly agree, and 13.5% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about PSB mergers helping to deal with their credit portfolio, including Stress Assets or Non-Performing Assets (NPAs). The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that PSB mergers help in dealing with their credit portfolio, including Stress Assets or NPAs. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.9: PSB mergers and Stressed Assets**

#### 4.4.10 PSB merger is to create big banks to compete globally

Q. 16 Do you agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale? \* Q. 3 Which category does your bank fall under?

**Table 4.10: PSB merger is to create big banks to compete globally**

| Crosstab                                                                                                               |                                                         |                                                         |                                                |                     |                          |       |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                        |                                                         |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total |
|                                                                                                                        |                                                         |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |       |
| Q. 16 Do you agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale? | Agree                                                   | Count                                                   | 5                                              | 3                   | 22                       | 30    |
|                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 50.0%                                          | 18.8%               | 59.5%                    | 47.6% |
|                                                                                                                        | Disagree                                                | Count                                                   | 1                                              | 3                   | 4                        | 8     |
|                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 18.8%               | 10.8%                    | 12.7% |
|                                                                                                                        | Neither agree nor disagree                              | Count                                                   | 1                                              | 6                   | 5                        | 12    |
|                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 37.5%               | 13.5%                    | 19.0% |
|                                                                                                                        | Strongly agree                                          | Count                                                   | 2                                              | 2                   | 5                        | 9     |
|                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 12.5%               | 13.5%                    | 14.3% |
|                                                                                                                        | Strongly disagree                                       | Count                                                   | 1                                              | 2                   | 1                        | 4     |
|                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 2.7%                     | 6.3%  |
| Total                                                                                                                  | Count                                                   | 10                                                      | 16                                             | 37                  | 63                       |       |
|                                                                                                                        | % within Q. 3 Which category does your bank fall under? | 100.0%                                                  | 100.0%                                         | 100.0%              | 100.0%                   |       |

## Chi-Square Tests

|                    | Value               | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|---------------------|----|------------------------------------------|
| Pearson Chi-Square | 10.627 <sup>a</sup> | 8  | .224                                     |
| Likelihood Ratio   | 10.813              | 8  | .213                                     |
| N of Valid Cases   | 63                  |    |                                          |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .63.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .411  | .224                        |
| Cramer's V              | .290  | .224                        |
| Contingency Coefficient | .380  | .224                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 16 "Do you agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 50% agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale, 10% disagree, 10% neither agree nor disagree, 20% strongly agree, and 10% strongly disagree.

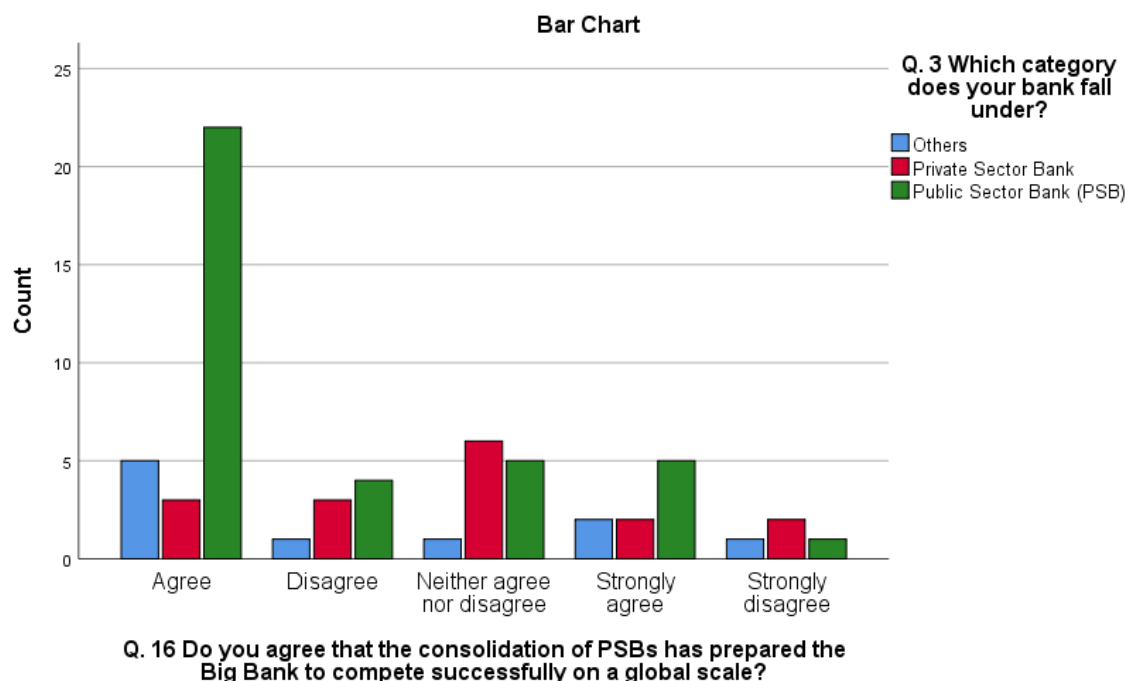
For respondents from "Private Sector Banks," 18.8% agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale, 18.8% disagree, 37.5% neither agree nor disagree, 12.5% strongly agree, and 12.5% strongly disagree.

In the "Public Sector Bank (PSB)" category, 59.5% agree that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale, 10.8% disagree, 13.5% neither agree nor disagree, 13.5% strongly agree, and 2.7% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about the consolidation of PSBs preparing the Big Bank to compete on a global scale. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that the consolidation of PSBs has prepared the Big Bank to compete successfully on a global scale. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.10: PSB merger is to create big banks to compete globally**

#### **4.4.11 Bank mergers improve professional standards of banks**

Q. 17 Do you agree that mega bank mergers help in improving the professional standards of banks? \* Q. 3 Which category does your bank fall under?

**Table 4.11: Bank mergers improve professional standards of banks**

| Crosstab                                                                                         |                            |                                                         |                                                |                     |                          |        |
|--------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                  |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|                                                                                                  |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 17 Do you agree that mega bank mergers help in improving the professional standards of banks? | Agree                      | Count                                                   | 5                                              | 3                   | 17                       | 25     |
|                                                                                                  |                            | % within Q. 3 Which category does your bank fall under? | 50.0%                                          | 18.8%               | 45.9%                    | 39.7%  |
|                                                                                                  | Disagree                   | Count                                                   | 1                                              | 4                   | 6                        | 11     |
|                                                                                                  |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 25.0%               | 16.2%                    | 17.5%  |
|                                                                                                  | Neither agree nor disagree | Count                                                   | 2                                              | 6                   | 6                        | 14     |
|                                                                                                  |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 37.5%               | 16.2%                    | 22.2%  |
|                                                                                                  | Strongly agree             | Count                                                   | 1                                              | 2                   | 4                        | 7      |
|                                                                                                  |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 10.8%                    | 11.1%  |
|                                                                                                  | Strongly disagree          | Count                                                   | 1                                              | 1                   | 4                        | 6      |
|                                                                                                  |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 6.3%                | 10.8%                    | 9.5%   |
| Total                                                                                            |                            | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                  |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 5.865 <sup>a</sup> | 8  | .662                              |
| Likelihood Ratio   | 6.052              | 8  | .641                              |
| N of Valid Cases   | 63                 |    |                                   |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .95.

## Symmetric Measures

|                         | Value | Approximate Significance |
|-------------------------|-------|--------------------------|
| Nominal by Nominal Phi  | .305  | .662                     |
| Cramer's V              | .216  | .662                     |
| Contingency Coefficient | .292  | .662                     |
| N of Valid Cases        | 63    |                          |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 17 "Do you agree that mega bank mergers help in improving the professional standards of banks?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 50% agree that mega bank mergers help improve the professional standards of banks, 10% disagree, 20% neither agree nor disagree, 10% strongly agree, and 10% strongly disagree.

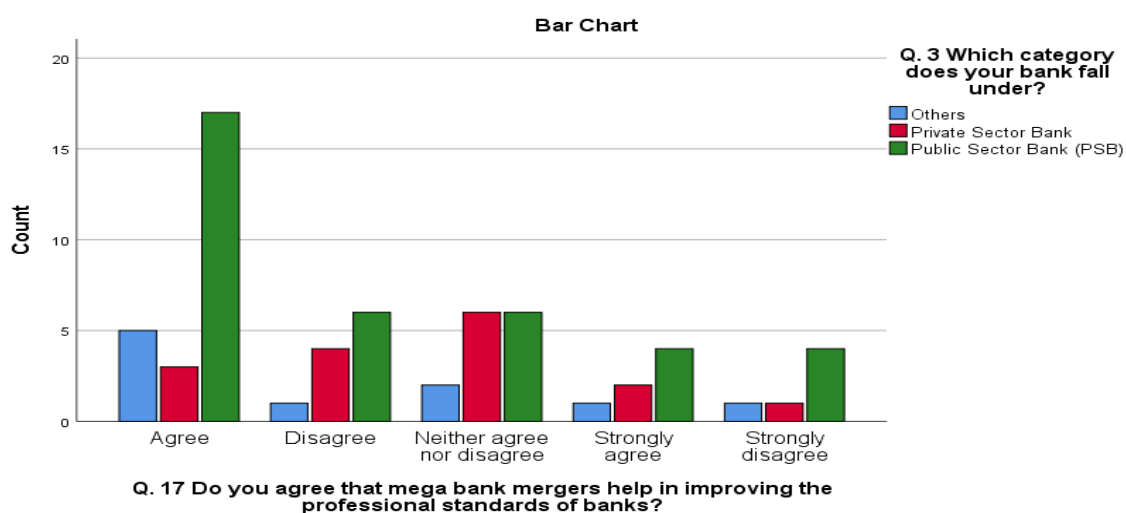
For respondents from "Private Sector Banks," 18.8% agree that mega bank mergers help improve the professional standards of banks, 25% disagree, 37.5% neither agree nor disagree, 12.5% strongly agree, and 6.3% strongly disagree.

In the "Public Sector Bank (PSB)" category, 45.9% agree that mega bank mergers help improve the professional standards of banks, 16.2% disagree, 16.2% neither agree nor disagree, 10.8% strongly agree, and 10.8% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about mega bank mergers improving the professional standards of banks. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that mega bank mergers help improve the professional standards of banks. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.11: Bank mergers improve professional standards of banks**

#### 4.4.12 Mega Bank Merger and Survival of Underperforming Banks

Q. 18 Do you agree that mega bank mergers improve chances of survival of underperforming banks as customer trust remains intact which is vital for the Economy? \* Q. 3 Which category does your bank fall under?

**Table 4.12 Mega Bank Merger and Survival of Underperforming Banks**

**Crosstab**

|                                                                                                                                                                 |                                                         |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                                                                 |                                                         |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |        |
| Q. 18 Do you agree that mega bank mergers improve chances of survival of underperforming banks as customer trust remains intact which is vital for the Economy? | Agree                                                   | Count                                                   | 6                                              | 9                   | 23                       | 38     |
|                                                                                                                                                                 |                                                         | % within Q. 3 Which category does your bank fall under? | 60.0%                                          | 56.3%               | 62.2%                    | 60.3%  |
|                                                                                                                                                                 | Disagree                                                | Count                                                   | 2                                              | 3                   | 6                        | 11     |
|                                                                                                                                                                 |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 18.8%               | 16.2%                    | 17.5%  |
|                                                                                                                                                                 | Neither agree nor disagree                              | Count                                                   | 0                                              | 2                   | 5                        | 7      |
|                                                                                                                                                                 |                                                         | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 12.5%               | 13.5%                    | 11.1%  |
|                                                                                                                                                                 | Strongly agree                                          | Count                                                   | 2                                              | 2                   | 3                        | 7      |
|                                                                                                                                                                 |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 12.5%               | 8.1%                     | 11.1%  |
| Total                                                                                                                                                           | Count                                                   |                                                         | 10                                             | 16                  | 37                       | 63     |
|                                                                                                                                                                 | % within Q. 3 Which category does your bank fall under? |                                                         | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

### Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 2.520 <sup>a</sup> | 6  | .866                                     |
| Likelihood Ratio   | 3.510              | 6  | .743                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is 1.11.

### Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .200  | .866                        |
|                    | Cramer's V              | .141  | .866                        |
|                    | Contingency Coefficient | .196  | .866                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 18 "Do you agree that mega bank mergers improve chances of survival of underperforming banks as customer trust remains intact, which is vital for the Economy?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 60% agree that mega bank mergers improve the chances of survival of underperforming banks, 20% disagree, and 20% strongly agree.

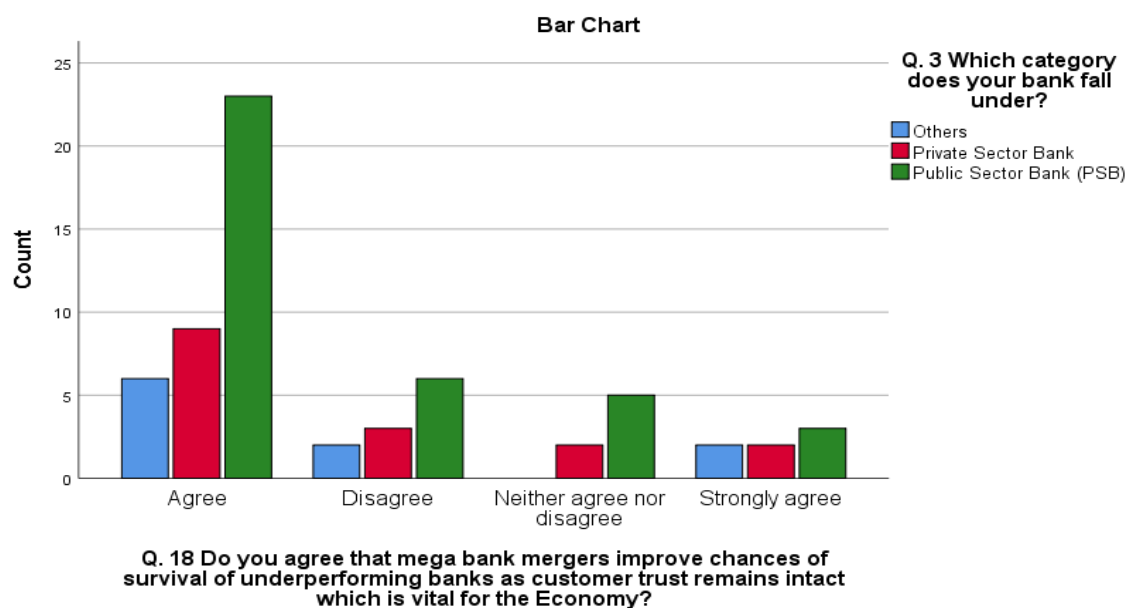
For respondents from "Private Sector Banks," 56.3% agree that mega bank mergers improve the chances of survival of underperforming banks, 18.8% disagree, 12.5% neither agree nor disagree, and 12.5% strongly agree.

In the "Public Sector Bank (PSB)" category, 62.2% agree that mega bank mergers improve the chances of survival of underperforming banks, 16.2% disagree, 13.5% neither agree nor disagree, and 8.1% strongly agree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about mega bank mergers improving the chances of survival of underperforming banks while maintaining customer trust, which is vital for the economy. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement that mega bank mergers improve the chances of survival of underperforming banks by maintaining customer trust, which is vital for the economy. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.12: Mega Bank Merger and Survival of Underperforming Banks**

#### 4.4.13 Merger of Banks to Expand Credit Delivery

Q. 19 When it comes to expanding the availability of credit, do you agree with the government's stated goals for the consolidation of banks? \* Q. 3 Which category does your bank fall under?

**Table 4.13: Merger of Banks to Expand Credit Delivery**

| Crosstab                                                                                                                                     |                            |                                                         |                                                |                     |                          |       |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                                              |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |       |
|                                                                                                                                              |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total |
| Q. 19 When it comes to expanding the availability of credit, do you agree with the government's stated goals for the consolidation of banks? | Agree                      | Count                                                   | 4                                              | 4                   | 16                       | 24    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 25.0%               | 43.2%                    | 38.1% |
|                                                                                                                                              | Disagree                   | Count                                                   | 2                                              | 1                   | 8                        | 11    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 6.3%                | 21.6%                    | 17.5% |
|                                                                                                                                              | Neither agree nor disagree | Count                                                   | 2                                              | 5                   | 9                        | 16    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 31.3%               | 24.3%                    | 25.4% |
|                                                                                                                                              | Strongly agree             | Count                                                   | 2                                              | 2                   | 2                        | 6     |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 12.5%               | 5.4%                     | 9.5%  |
|                                                                                                                                              | Strongly disagree          | Count                                                   | 0                                              | 4                   | 2                        | 6     |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 25.0%               | 5.4%                     | 9.5%  |
| Total                                                                                                                                        |                            | Count                                                   | 10                                             | 16                  | 37                       | 63    |

#### Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 10.485 <sup>a</sup> | 8  | .233                              |
| Likelihood Ratio   | 10.572              | 8  | .227                              |
| N of Valid Cases   | 63                  |    |                                   |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .95.

## Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .408  | .233                        |
|                    | Cramer's V              | .288  | .233                        |
|                    | Contingency Coefficient | .378  | .233                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 19 "When it comes to expanding the availability of credit, do you agree with the government's stated goals for the consolidation of banks?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 40% agree with the government's stated goals for the consolidation of banks when it comes to expanding the availability of credit. Additionally, 20% disagree, 20% neither agree nor disagree, and 20% strongly agree.

For respondents from "Private Sector Banks," 25% agree with the government's goals, 6.3% disagree, 31.3% neither agree nor disagree, and 12.5% strongly agree.

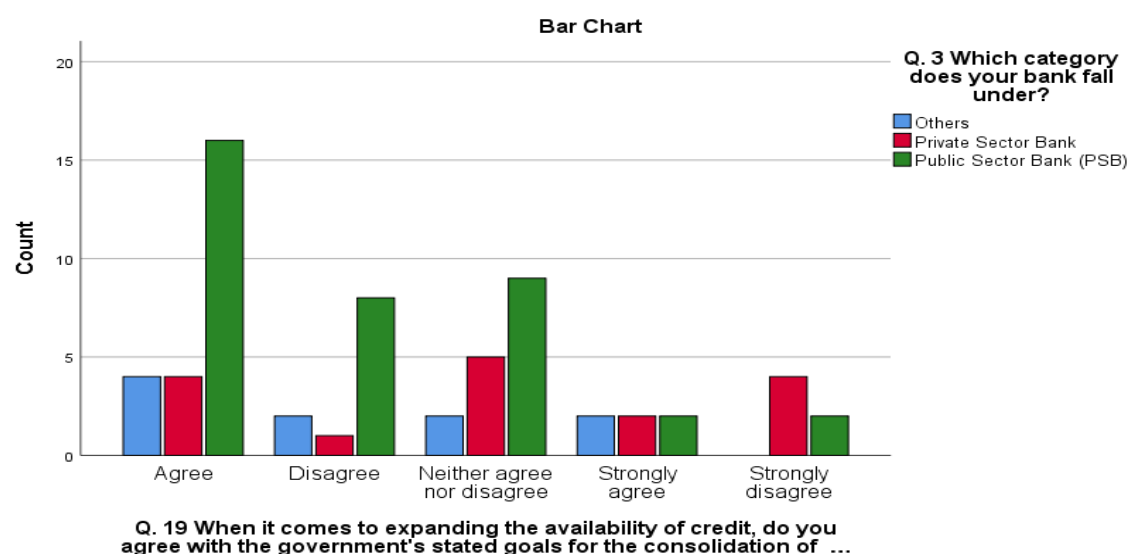
In the "Public Sector Bank (PSB)" category, 43.2% agree with the government's goals, 21.6% disagree, 24.3% neither agree nor disagree, and 5.4% strongly agree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the government's stated goals for the consolidation of banks concerning expanding the availability of credit. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the government's stated goals for bank

consolidation regarding expanding the availability of credit. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.13: Merger of Banks to Expand Credit Delivery**

#### 4.4.14 Merger for Introducing New and Better Services Globally

Q. 20 Do you agree that the provision of new services and facilities for customers in both the domestic and international markets is significantly impacted by mega bank mergers? \* Q. 3 Which category does your bank fall under?

**Table 4.14: Merger for Introducing New and Better Services Globally**

| Crosstab                                                                                                                                                                          |                            |                                                         |                                                |                     |                          |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                                                                                   |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|                                                                                                                                                                                   |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 20 Do you agree that the provision of new services and facilities for customers in both the domestic and international markets is significantly impacted by mega bank mergers? | Agree                      | Count                                                   | 5                                              | 5                   | 19                       | 29     |
|                                                                                                                                                                                   |                            | % within Q. 3 Which category does your bank fall under? | 50.0%                                          | 31.3%               | 51.4%                    | 46.0%  |
|                                                                                                                                                                                   | Disagree                   | Count                                                   | 2                                              | 2                   | 8                        | 12     |
|                                                                                                                                                                                   |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 12.5%               | 21.6%                    | 19.0%  |
|                                                                                                                                                                                   | Neither agree nor disagree | Count                                                   | 2                                              | 7                   | 7                        | 16     |
|                                                                                                                                                                                   |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 43.8%               | 18.9%                    | 25.4%  |
|                                                                                                                                                                                   | Strongly agree             | Count                                                   | 0                                              | 0                   | 3                        | 3      |
|                                                                                                                                                                                   |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 0.0%                | 8.1%                     | 4.8%   |
|                                                                                                                                                                                   | Strongly disagree          | Count                                                   | 1                                              | 2                   | 0                        | 3      |
|                                                                                                                                                                                   |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 0.0%                     | 4.8%   |
| Total                                                                                                                                                                             |                            | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                                                                                                   |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

## Chi-Square Tests

|                    | Value               | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|---------------------|----|------------------------------------------|
| Pearson Chi-Square | 10.821 <sup>a</sup> | 8  | .212                                     |
| Likelihood Ratio   | 12.721              | 8  | .122                                     |
| N of Valid Cases   | 63                  |    |                                          |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .48.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .414  | .212                        |
| Cramer's V              | .293  | .212                        |
| Contingency Coefficient | .383  | .212                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 20 "Do you agree that the provision of new services and facilities for customers in both the domestic and international markets is significantly impacted by mega bank mergers?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 50% agree that mega bank mergers significantly impact the provision of new services and facilities for customers, while 20% disagree, 20% neither agree nor disagree, and 10% strongly agree.

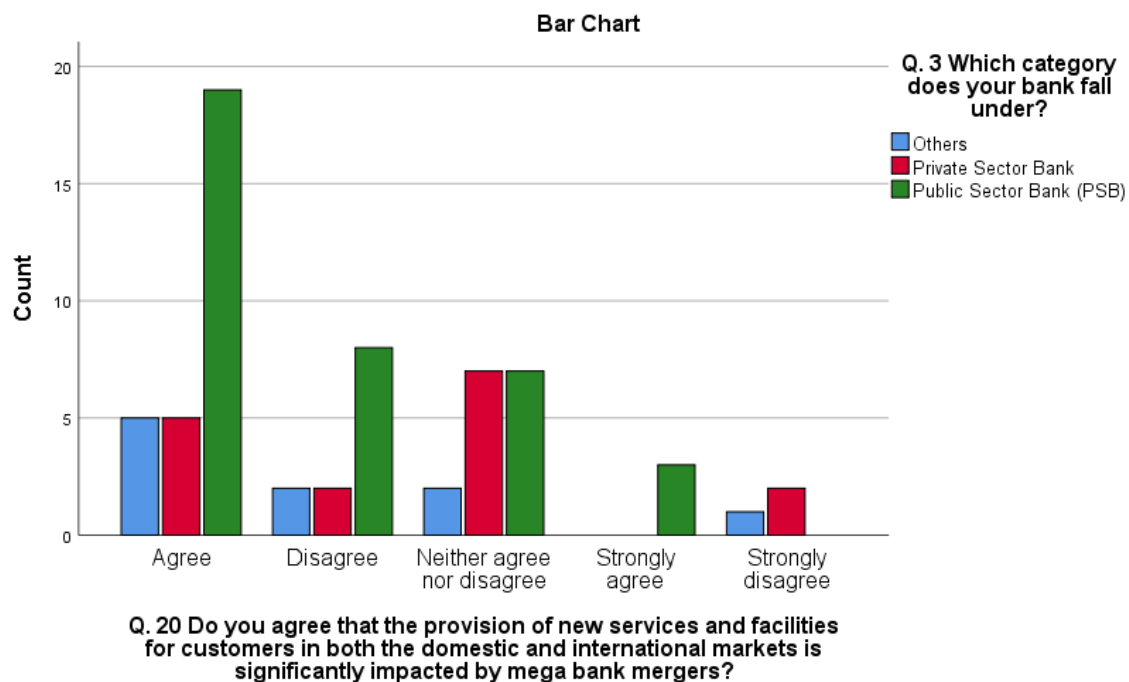
For respondents from "Private Sector Banks," 31.3% agree, 12.5% disagree, 43.8% neither agree nor disagree, and 12.5% strongly agree.

In the "Public Sector Bank (PSB)" category, 51.4% agree with the statement, 21.6% disagree, 18.9% neither agree nor disagree, and 8.1% strongly agree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about the impact of mega bank mergers on the provision of new services and facilities for customers in both domestic and international markets. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement regarding the impact of mega bank mergers on the provision of new services and facilities for customers in both domestic and international markets. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.14: Merger for Introducing New and Better Services Globally**

#### **4.4.15 Merger and Improvement of Reputation of Banks**

Q. 21 Do you agree that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers? \* Q. 3 Which category does your bank fall under?

**Table 4.15: Merger and Improvement of Reputation of Banks**

| Crosstab                                                                                                                              |                                                         |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |       |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                                       |                                                         |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total |
| Q. 21 Do you agree that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers? | Agree                                                   | Count                                                   | 4                                              | 6                   | 22                       | 32    |
|                                                                                                                                       |                                                         | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 37.5%               | 59.5%                    | 50.8% |
|                                                                                                                                       | Disagree                                                | Count                                                   | 4                                              | 1                   | 7                        | 12    |
|                                                                                                                                       |                                                         | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 6.3%                | 18.9%                    | 19.0% |
|                                                                                                                                       | Neither agree nor disagree                              | Count                                                   | 1                                              | 8                   | 5                        | 14    |
|                                                                                                                                       |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 50.0%               | 13.5%                    | 22.2% |
|                                                                                                                                       | Strongly agree                                          | Count                                                   | 1                                              | 1                   | 2                        | 4     |
|                                                                                                                                       |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 6.3%                | 5.4%                     | 6.3%  |
|                                                                                                                                       | Strongly disagree                                       | Count                                                   | 0                                              | 0                   | 1                        | 1     |
|                                                                                                                                       |                                                         | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 0.0%                | 2.7%                     | 1.6%  |
| Total                                                                                                                                 | Count                                                   | 10                                                      | 16                                             | 37                  | 63                       |       |
|                                                                                                                                       | % within Q. 3 Which category does your bank fall under? | 100.0%                                                  | 100.0%                                         | 100.0%              | 100.0%                   |       |

## Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 13.469 <sup>a</sup> | 8  | .097                              |
| Likelihood Ratio   | 12.692              | 8  | .123                              |
| N of Valid Cases   | 63                  |    |                                   |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .16.

## Symmetric Measures

|                        | Value | Approximate Significance |
|------------------------|-------|--------------------------|
| Nominal by Nominal Phi | .462  | .097                     |
| Cramer's V             | .327  | .097                     |

|                         |      |      |
|-------------------------|------|------|
| Contingency Coefficient | .420 | .097 |
| N of Valid Cases        | 63   |      |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 21 "Do you agree that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 40% agree that the improved reputation of the amalgamated bank affects potential customers due to mega bank mergers. Additionally, 40% disagree, 10% neither agree nor disagree, and 10% strongly agree.

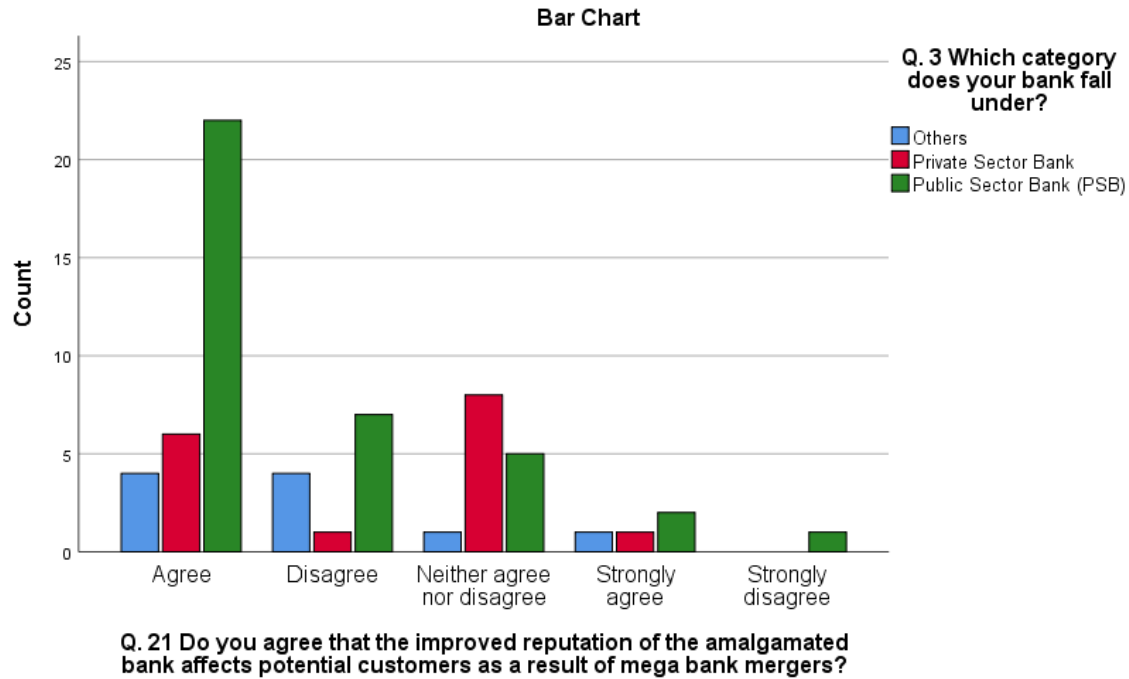
For respondents from "Private Sector Banks," 37.5% agree with the statement, 6.3% disagree, 50% neither agree nor disagree, and 6.3% strongly agree.

In the "Public Sector Bank (PSB)" category, 59.5% agree that the improved reputation of the amalgamated bank affects potential customers as a result of mega bank mergers. Furthermore, 18.9% disagree, 13.5% neither agree nor disagree, and 5.4% strongly agree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about the improved reputation of the amalgamated bank affecting potential customers due to mega bank mergers. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement regarding the impact of improved reputation on potential customers as a result of mega bank mergers. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.15: Merger and Improvement of Reputation of Banks**

#### 4.4.16 Availability of improved financial services after merger

Q. 22 Do you agree that the increased availability of financial services is a result of bank consolidation? \* Q. 3 Which category does your bank fall under?

**Table 4.16: Availability of improved financial services after merger**

| Crosstab                                                                                                    |                            |                                                         |                                                |                     |                          |        |
|-------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                             |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|                                                                                                             |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 22 Do you agree that the increased availability of financial services is a result of bank consolidation? | Agree                      | Count                                                   | 5                                              | 5                   | 12                       | 22     |
|                                                                                                             |                            | % within Q. 3 Which category does your bank fall under? | 50.0%                                          | 31.3%               | 32.4%                    | 34.9%  |
|                                                                                                             | Disagree                   | Count                                                   | 3                                              | 6                   | 13                       | 22     |
|                                                                                                             |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 37.5%               | 35.1%                    | 34.9%  |
|                                                                                                             | Neither agree nor disagree | Count                                                   | 1                                              | 2                   | 8                        | 11     |
|                                                                                                             |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 21.6%                    | 17.5%  |
|                                                                                                             | Strongly agree             | Count                                                   | 0                                              | 1                   | 1                        | 2      |
|                                                                                                             |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 6.3%                | 2.7%                     | 3.2%   |
|                                                                                                             | Strongly disagree          | Count                                                   | 1                                              | 2                   | 3                        | 6      |
|                                                                                                             |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 8.1%                     | 9.5%   |
| Total                                                                                                       |                            | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                             |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 2.839 <sup>a</sup> | 8  | .944                                     |
| Likelihood Ratio   | 3.029              | 8  | .933                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .32.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .212  | .944                        |
| Cramer's V              | .150  | .944                        |
| Contingency Coefficient | .208  | .944                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 22 "Do you agree that the increased availability of financial services is a result of bank consolidation?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 50% agree that the increased availability of financial services is a result of bank consolidation. Additionally, 30% disagree, 10% neither agree nor disagree, and 10% strongly disagree.

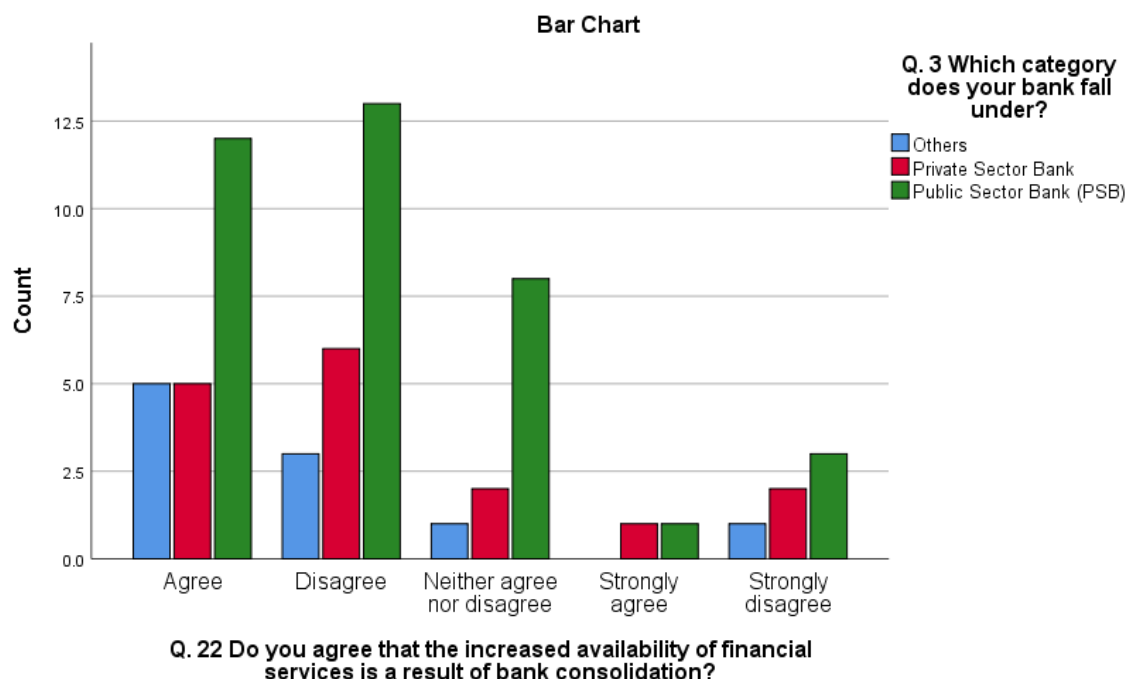
For respondents from "Private Sector Banks," 31.3% agree with the statement, 37.5% disagree, 12.5% neither agree nor disagree, and 6.3% strongly disagree.

In the "Public Sector Bank (PSB)" category, 32.4% agree that the increased availability of financial services is a result of bank consolidation. Furthermore, 35.1% disagree, 21.6% neither agree nor disagree, and 8.1% strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about the increased availability of financial services being a result of bank consolidation. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement regarding the impact of increased availability of financial services as a result of bank consolidation. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.16: Availability of improved financial services after merger**

#### 4.4.17 Improvements in the quality of services due to mergers and acquisitions

Q. 23 Do you agree that customers perceive improvements in the quality of the services they receive as a result of mergers and acquisitions? \* Q. 3 Which category does your bank fall under?

**Table 4.17: Improvements in the quality of services due to mergers and acquisitions**

**Crosstab**

|                                                                                                                                              |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |       |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                                              |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total |
| Q. 23 Do you agree that customers perceive improvements in the quality of the services they receive as a result of mergers and acquisitions? | Agree                      | Count                                                   | 3                                              | 5                   | 12                       | 20    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 31.3%               | 32.4%                    | 31.7% |
|                                                                                                                                              | Disagree                   | Count                                                   | 3                                              | 4                   | 13                       | 20    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 25.0%               | 35.1%                    | 31.7% |
|                                                                                                                                              | Neither agree nor disagree | Count                                                   | 4                                              | 5                   | 8                        | 17    |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 31.3%               | 21.6%                    | 27.0% |
|                                                                                                                                              | Strongly agree             | Count                                                   | 0                                              | 1                   | 1                        | 2     |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 6.3%                | 2.7%                     | 3.2%  |
|                                                                                                                                              | Strongly disagree          | Count                                                   | 0                                              | 1                   | 3                        | 4     |
|                                                                                                                                              |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 6.3%                | 8.1%                     | 6.3%  |
|                                                                                                                                              | Total                      |                                                         | 10                                             | 16                  | 37                       | 63    |

#### Chi-Square Tests

|                    | Value              | Df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 3.155 <sup>a</sup> | 8  | .924                              |
| Likelihood Ratio   | 3.944              | 8  | .862                              |
| N of Valid Cases   | 63                 |    |                                   |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .32.

## Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .224  | .924                        |
|                    | Cramer's V              | .158  | .924                        |
|                    | Contingency Coefficient | .218  | .924                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 23 "Do you agree that customers perceive improvements in the quality of the services they receive as a result of mergers and acquisitions?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 30% agree that customers perceive improvements in the quality of services due to mergers and acquisitions. Additionally, 30% disagree, 40% neither agree nor disagree, and 0% strongly agree or strongly disagree.

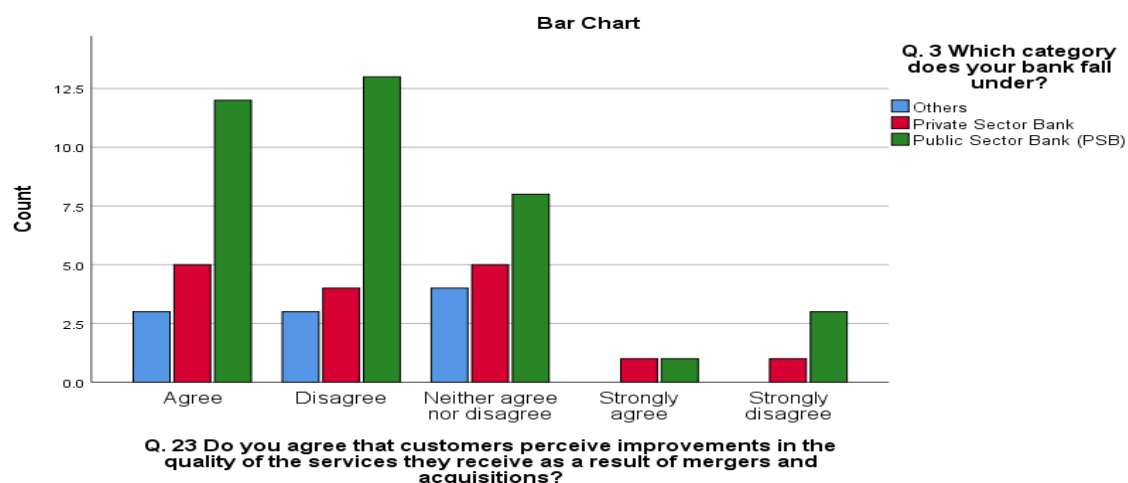
For respondents from "Private Sector Banks," 31.3% agree with the statement, 25% disagree, 31.3% neither agree nor disagree, and 6.3% strongly agree or strongly disagree.

In the "Public Sector Bank (PSB)" category, 32.4% agree that customers perceive improvements in the quality of services due to mergers and acquisitions. Furthermore, 35.1% disagree, 21.6% neither agree nor disagree, and 8.1% strongly agree or strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about customers perceiving improvements in service quality as a result of mergers and acquisitions. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement regarding whether customers perceive improvements in the quality of services due to mergers and acquisitions. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.17: Improvements in the quality of services due to mergers and acquisitions**

#### 4.4.18 Merger and Decline in Customer Service & Satisfaction

Q. 24 Do you agree that due to the merger and acquisition, customer services have been improved, and as a consequence, customers are better satisfied? \* Q. 3 Which category does your bank fall under?

**Table 4.18: Merger and Decline in Customer Service & Satisfaction**

| Crosstab                                                                                                                                               |                                                         |                                                         |                                                |                     |                          |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                                                        |                                                         |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|                                                                                                                                                        |                                                         |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 24 Do you agree that due to the merger and acquisition, customer services have been improved, and as a consequence, customers are better satisfied? | Agree                                                   | Count                                                   | 3                                              | 3                   | 6                        | 12     |
|                                                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 18.8%               | 16.2%                    | 19.0%  |
|                                                                                                                                                        | Disagree                                                | Count                                                   | 5                                              | 4                   | 13                       | 22     |
|                                                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 50.0%                                          | 25.0%               | 35.1%                    | 34.9%  |
|                                                                                                                                                        | Neither agree nor disagree                              | Count                                                   | 1                                              | 4                   | 12                       | 17     |
|                                                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 25.0%               | 32.4%                    | 27.0%  |
|                                                                                                                                                        | Strongly agree                                          | Count                                                   | 1                                              | 1                   | 1                        | 3      |
|                                                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 6.3%                | 2.7%                     | 4.8%   |
|                                                                                                                                                        | Strongly disagree                                       | Count                                                   | 0                                              | 4                   | 5                        | 9      |
|                                                                                                                                                        |                                                         | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 25.0%               | 13.5%                    | 14.3%  |
| Total                                                                                                                                                  | Count                                                   |                                                         | 10                                             | 16                  | 37                       | 63     |
|                                                                                                                                                        | % within Q. 3 Which category does your bank fall under? |                                                         | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 7.098 <sup>a</sup> | 8  | .526                                     |
| Likelihood Ratio   | 8.409              | 8  | .395                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .48.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .336  | .526                        |
| Cramer's V              | .237  | .526                        |
| Contingency Coefficient | .318  | .526                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 24 "Do you agree that due to the merger and acquisition, customer services have been improved, and as a consequence, customers are better satisfied?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 30% agree that customer services have been improved due to mergers and acquisitions, leading to better customer satisfaction. Additionally, 50% disagree, 10% neither agree nor disagree, and 0% strongly agree or strongly disagree.

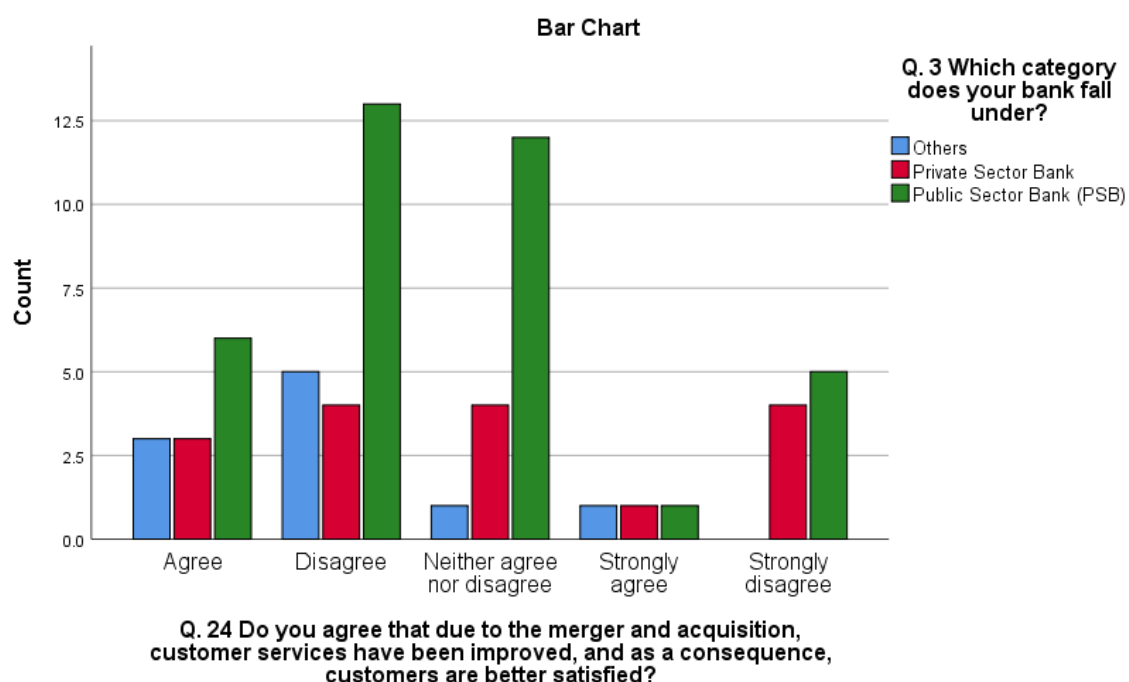
For respondents from "Private Sector Banks," 18.8% agree with the statement, 25% disagree, 25% neither agree nor disagree, and 6.3% strongly agree or strongly disagree.

In the "Public Sector Bank (PSB)" category, 16.2% agree that customer services have improved due to mergers and acquisitions, resulting in better customer satisfaction. Furthermore, 35.1% disagree, 32.4% neither agree nor disagree, and 2.7% strongly agree or strongly disagree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about customer services and customer satisfaction as a result of mergers and acquisitions. The p-values for both tests are greater than 0.05, indicating no statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is no significant association between the two questions.

In summary, there is no statistically significant association between the type of bank and respondents' agreement or disagreement regarding whether customer services have improved and customers are better satisfied as a result of mergers and acquisitions. Respondents from different bank categories hold similar opinions on this matter.



**Figure 4.18: Merger and Decline in Customer Service & Satisfaction**

#### **4.4.19 Merger and its impact on banking professionals**

Q. 25 Do you agree that merger and acquisition in banking industry has its negative impact on banking professionals? \* Q. 3 Which category does your bank fall under?

**Table 4.19: Merger and its impact on banking professionals**

|                                                                                                                      |                            |                                                         | Crosstab                                       |                     |                          |        |
|----------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                                      |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|                                                                                                                      |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 25 Do you agree that merger and acquisition in banking industry has its negative impact on banking professionals? | Agree                      | Count                                                   | 2                                              | 4                   | 20                       | 26     |
|                                                                                                                      |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 25.0%               | 54.1%                    | 41.3%  |
|                                                                                                                      | Disagree                   | Count                                                   | 3                                              | 0                   | 6                        | 9      |
|                                                                                                                      |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 0.0%                | 16.2%                    | 14.3%  |
|                                                                                                                      | Neither agree nor disagree | Count                                                   | 3                                              | 4                   | 6                        | 13     |
|                                                                                                                      |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 25.0%               | 16.2%                    | 20.6%  |
|                                                                                                                      | Strongly agree             | Count                                                   | 0                                              | 7                   | 4                        | 11     |
|                                                                                                                      |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 43.8%               | 10.8%                    | 17.5%  |
|                                                                                                                      | Strongly disagree          | Count                                                   | 2                                              | 1                   | 1                        | 4      |
|                                                                                                                      |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 6.3%                | 2.7%                     | 6.3%   |
|                                                                                                                      | Total                      | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                                      |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

## Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 21.348 <sup>a</sup> | 8  | .006                              |
| Likelihood Ratio   | 22.623              | 8  | .004                              |
| N of Valid Cases   | 63                  |    |                                   |

- a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .63.

## Symmetric Measures

|                    |                         | Value | Approximate<br>Significance |
|--------------------|-------------------------|-------|-----------------------------|
| Nominal by Nominal | Phi                     | .582  | .006                        |
|                    | Cramer's V              | .412  | .006                        |
|                    | Contingency Coefficient | .503  | .006                        |
| N of Valid Cases   |                         | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 25 "Do you agree that merger and acquisition in the banking industry has its negative impact on banking professionals?" provides insights into respondents' opinions on this matter.

Among respondents in the "Others" category, 20% agree that mergers and acquisitions have a negative impact on banking professionals, while 30% disagree, 30% neither agree nor disagree, and 20% strongly agree.

For respondents from "Private Sector Banks," 25% agree with the statement, 0% disagree, 25% neither agree nor disagree, and 43.8% strongly agree.

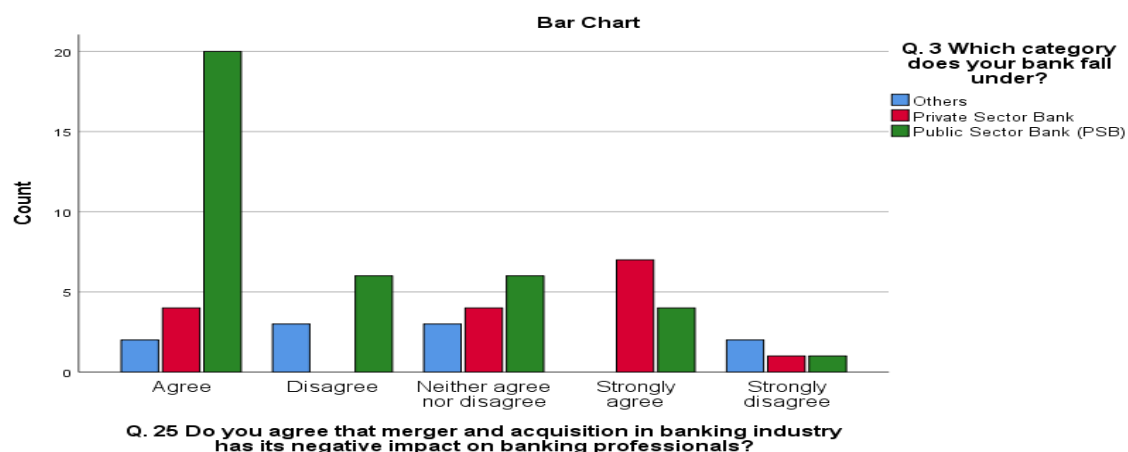
In the "Public Sector Bank (PSB)" category, 54.1% agree that mergers and acquisitions have a negative impact on banking professionals. Furthermore, 16.2% disagree, 16.2% neither agree nor disagree, and 10.8% strongly agree.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is a statistically significant association between the type of bank and respondents' agreement or disagreement with the statement about the negative impact of mergers and acquisitions on banking professionals. The p-values for both tests are less than 0.05, indicating statistical significance.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm that there is a significant association between the two questions. The Phi value of 0.582 suggests a moderate association.

In summary, there is a statistically significant association between the type of bank and respondents' opinions regarding the negative impact of mergers and acquisitions on banking

professionals. Respondents from different bank categories hold different views on this matter, with a larger proportion of respondents from Public Sector Banks (PSBs) agreeing with the statement.



**Figure 4.19: Merger and its impact on banking professionals**

#### 4.4.20 Banking Personnel's focus to prioritise customer satisfaction

Q. 26 How often do you feel the amalgamated banks' banking personnel have shifted their focus to prioritise customer satisfaction? \* Q. 3 Which category does your bank fall under?

**Table 4.20: Banking Personnel's focus to prioritise customer satisfaction**

| Crosstab                                                                                                                           |                                                         |                                                         |                                                |                     |                          |       |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                                    |                                                         |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |       |
|                                                                                                                                    |                                                         |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total |
| Q. 26 How often do you feel the amalgamated banks' banking personnel have shifted their focus to prioritise customer satisfaction? | Never                                                   | Count                                                   | 1                                              | 2                   | 3                        | 6     |
|                                                                                                                                    |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 12.5%               | 8.1%                     | 9.5%  |
|                                                                                                                                    | Often                                                   | Count                                                   | 4                                              | 4                   | 9                        | 17    |
|                                                                                                                                    |                                                         | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 25.0%               | 24.3%                    | 27.0% |
|                                                                                                                                    | Rarely                                                  | Count                                                   | 2                                              | 5                   | 11                       | 18    |
|                                                                                                                                    |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 31.3%               | 29.7%                    | 28.6% |
|                                                                                                                                    | Sometimes                                               | Count                                                   | 2                                              | 4                   | 11                       | 17    |
|                                                                                                                                    |                                                         | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 25.0%               | 29.7%                    | 27.0% |
|                                                                                                                                    | Very often                                              | Count                                                   | 1                                              | 1                   | 3                        | 5     |
|                                                                                                                                    |                                                         | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 6.3%                | 8.1%                     | 7.9%  |
| Total                                                                                                                              | Count                                                   | 10                                                      | 16                                             | 37                  | 63                       |       |
|                                                                                                                                    | % within Q. 3 Which category does your bank fall under? | 100.0%                                                  | 100.0%                                         | 100.0%              | 100.0%                   |       |

#### Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 1.712 <sup>a</sup> | 8  | .989                                     |
| Likelihood Ratio   | 1.669              | 8  | .990                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 12 cells (80.0%) have expected count less than 5. The minimum expected count is .79.

### Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .165  | .989                        |
| Cramer's V              | .117  | .989                        |
| Contingency Coefficient | .163  | .989                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 26 "How often do you feel the amalgamated banks' banking personnel have shifted their focus to prioritize customer satisfaction?" provides insights into respondents' opinions on the frequency of banking personnel prioritizing customer satisfaction.

Across all three categories ("Others," "Private Sector Bank," and "Public Sector Bank (PSB)"), respondents have varying opinions on the frequency of banking personnel prioritizing customer satisfaction:

- "Never": Among "Others," 10% of respondents selected this option, while it was 12.5% for "Private Sector Bank" and 8.1% for "Public Sector Bank (PSB)."
- "Often": 40% of "Others," 25% of "Private Sector Bank," and 24.3% of "Public Sector Bank (PSB)" respondents felt that banking personnel often prioritize customer satisfaction.

- "Rarely": 20% of "Others," 31.3% of "Private Sector Bank," and 29.7% of "Public Sector Bank (PSB)" respondents chose this option.

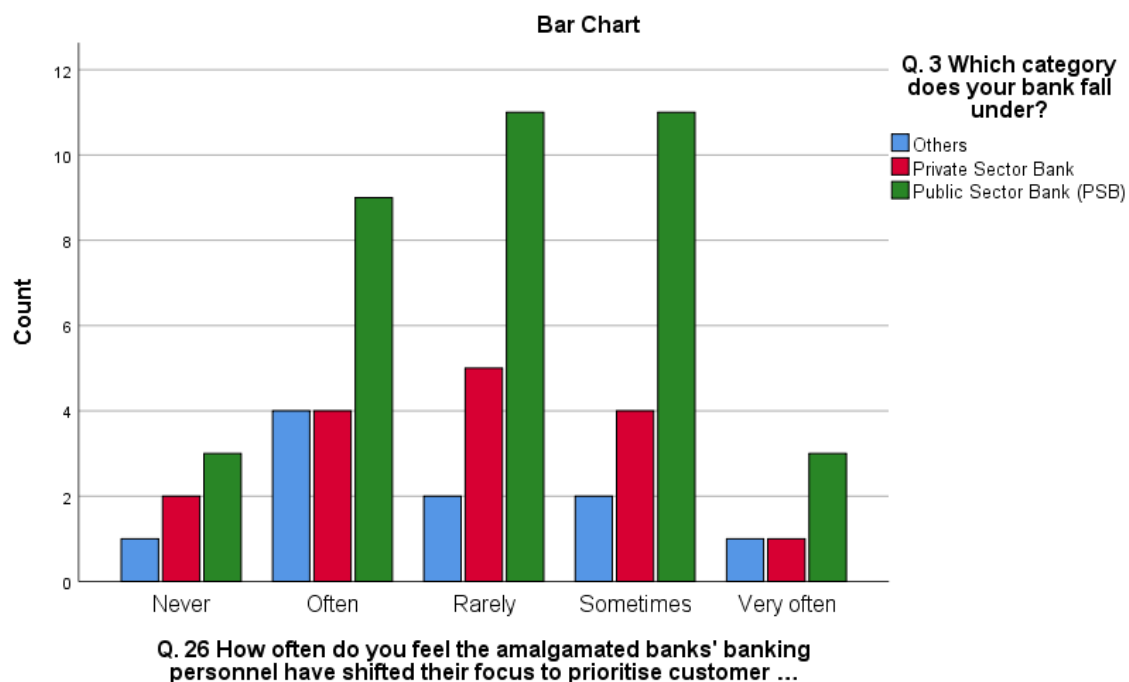
- "Sometimes": 20% of "Others," 25% of "Private Sector Bank," and 29.7% of "Public Sector Bank (PSB)" respondents indicated that banking personnel sometimes prioritize customer satisfaction.

- "Very often": 10% of "Others," 6.3% of "Private Sector Bank," and 8.1% of "Public Sector Bank (PSB)" respondents selected this option.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' opinions on the frequency of banking personnel prioritizing customer satisfaction. The p-values for both tests are greater than 0.05, indicating no statistically significant relationship.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm the lack of a significant association between the two questions. The Phi value of 0.165 suggests a weak association.

In summary, the type of bank does not appear to have a significant influence on respondents' perceptions of how often banking personnel prioritize customer satisfaction.



**Figure 4.20: Banking Personnel's focus to prioritise customer satisfaction**

#### 4.4.21 New opportunities to banking professionals due to merger and their satisfaction

Q. 27 Are you in agreement with the statement that banking professionals are pleased about the new opportunities that will result from a merger or acquisition? \* Q. 3 Which category does your bank fall under?

**Table 4.21: New opportunities to banking professionals due to merger and their satisfaction**

| Crosstab                                                                                                                                                        |     |                                           |        |                        |                             |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------|--------|------------------------|-----------------------------|--------|
| Q. 3 Which category does your bank fall under?                                                                                                                  |     |                                           |        |                        |                             |        |
|                                                                                                                                                                 |     |                                           | Others | Private<br>Sector Bank | Public Sector<br>Bank (PSB) | Total  |
| Q. 27 Are you in agreement with the statement that banking professionals are pleased about the new opportunities that will result from a merger or acquisition? | No  | Count                                     | 5      | 12                     | 25                          | 42     |
|                                                                                                                                                                 |     | % within Q. 3                             | 50.0%  | 75.0%                  | 67.6%                       | 66.7%  |
|                                                                                                                                                                 |     | Which category does your bank fall under? |        |                        |                             |        |
|                                                                                                                                                                 | Yes | Count                                     | 5      | 4                      | 12                          | 21     |
|                                                                                                                                                                 |     | % within Q. 3                             | 50.0%  | 25.0%                  | 32.4%                       | 33.3%  |
|                                                                                                                                                                 |     | Which category does your bank fall under? |        |                        |                             |        |
| Total                                                                                                                                                           |     | Count                                     | 10     | 16                     | 37                          | 63     |
|                                                                                                                                                                 |     | % within Q. 3                             | 100.0% | 100.0%                 | 100.0%                      | 100.0% |
|                                                                                                                                                                 |     | Which category does your bank fall under? |        |                        |                             |        |

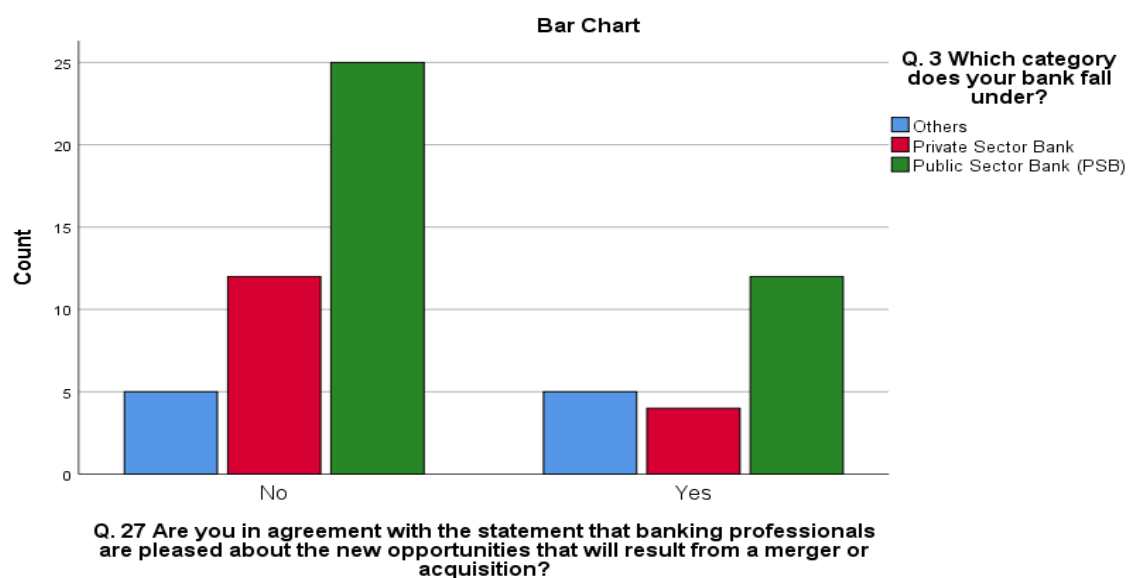
#### Chi-Square Tests

|                    | Value              | Df | Asymptotic Significance (2-sided) |
|--------------------|--------------------|----|-----------------------------------|
| Pearson Chi-Square | 1.764 <sup>a</sup> | 2  | .414                              |
| Likelihood Ratio   | 1.717              | 2  | .424                              |
| N of Valid Cases   | 63                 |    |                                   |

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.33.

#### Symmetric Measures

|                    |                         |  | Value | Approximate Significance |
|--------------------|-------------------------|--|-------|--------------------------|
| Nominal by Nominal | Phi                     |  | .167  | .414                     |
|                    | Cramer's V              |  | .167  | .414                     |
|                    | Contingency Coefficient |  | .165  | .414                     |
| N of Valid Cases   |                         |  | 63    |                          |



**Figure 4.21: New opportunities to banking professionals due to merger and their satisfaction**

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 27 "Are you in agreement with the statement that banking professionals are pleased about the new opportunities that will result from a merger or acquisition?" provides insights into respondents' opinions regarding the agreement of banking professionals with new opportunities resulting from a merger or acquisition.

Here are the key findings:

- Among respondents from "Others," 50% disagreed with the statement, and 50% agreed with it.

- In the "Private Sector Bank" category, 75% of respondents disagreed with the statement, while 25% agreed.

- In the "Public Sector Bank (PSB)" category, 67.6% of respondents disagreed with the statement, and 32.4% agreed.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' opinions on whether banking professionals are pleased about the new opportunities resulting from a merger or acquisition. The p-values for both tests are greater than 0.05, indicating no statistically significant relationship.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm the lack of a significant association between the two questions. The Phi value of 0.167 suggests a weak association.

In summary, the type of bank does not appear to have a significant influence on respondents' perceptions of whether banking professionals are pleased about the new opportunities resulting from a merger or acquisition.

#### 4.4.22 Overburdened work resulting from Merger and acquisition affected baking professionals

Q. 28 Do you agree that merger and acquisition effected performance of banking professionals due to overburdened work? \* Q. 3 Which category does your bank fall under?

**Table 4.22: Overburdened work resulting from Merger and acquisition affected baking professionals**

| Crosstab                                                                                                               |                            |                                                         |                                                |                     |                          |       |
|------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|-------|
|                                                                                                                        |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          | Total |
|                                                                                                                        |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) |       |
| Q. 28 Do you agree that merger and acquisition effected performance of banking professionals due to overburdened work? | Agree                      | Count                                                   | 3                                              | 7                   | 16                       | 26    |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 43.8%               | 43.2%                    | 41.3% |
|                                                                                                                        | Disagree                   | Count                                                   | 2                                              | 0                   | 4                        | 6     |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 0.0%                | 10.8%                    | 9.5%  |
|                                                                                                                        | Neither agree nor disagree | Count                                                   | 3                                              | 5                   | 4                        | 12    |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 30.0%                                          | 31.3%               | 10.8%                    | 19.0% |
|                                                                                                                        | Strongly agree             | Count                                                   | 2                                              | 4                   | 11                       | 17    |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 25.0%               | 29.7%                    | 27.0% |
|                                                                                                                        | Strongly disagree          | Count                                                   | 0                                              | 0                   | 2                        | 2     |
|                                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 0.0%                                           | 0.0%                | 5.4%                     | 3.2%  |
| Total                                                                                                                  |                            | Count                                                   | 10                                             | 16                  | 37                       | 63    |

## Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 8.018 <sup>a</sup> | 8  | .432                                     |
| Likelihood Ratio   | 9.977              | 8  | .267                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .32.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .357  | .432                        |
| Cramer's V              | .252  | .432                        |
| Contingency Coefficient | .336  | .432                        |
| N of Valid Cases        | 63    |                             |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 28 "Do you agree that merger and acquisition affected the performance of banking professionals due to overburdened work?" provides insights into respondents' opinions regarding the impact of mergers and acquisitions on the performance of banking professionals.

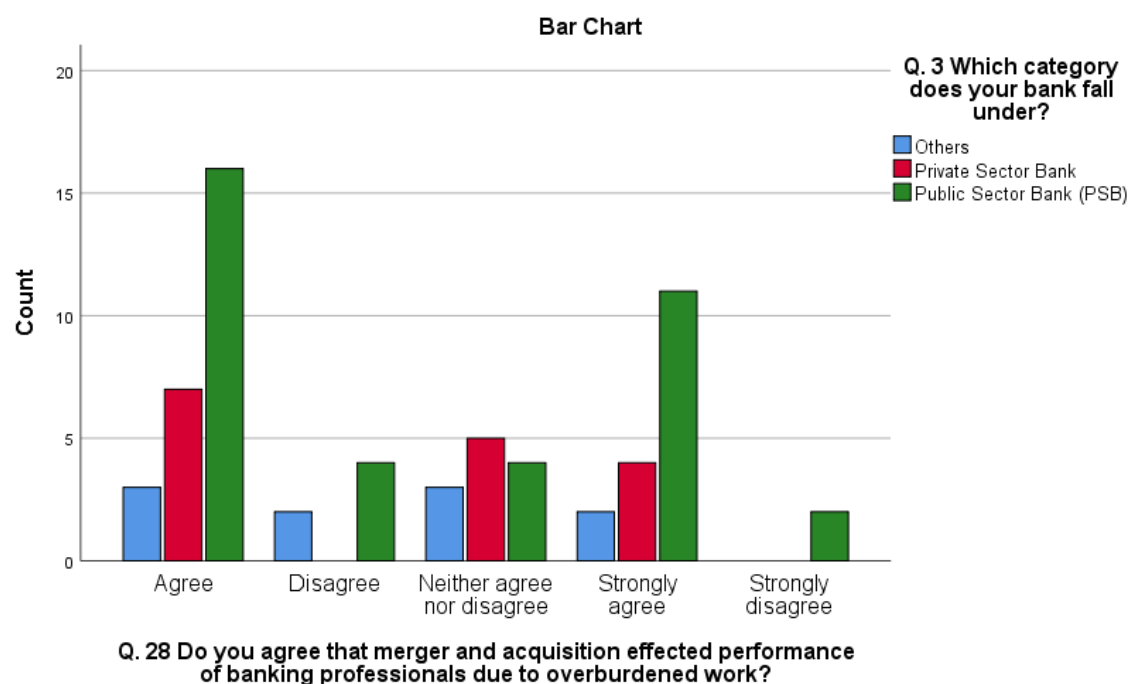
Here are the key findings:

- Among respondents from "Others," 30% agreed with the statement, 20% disagreed, 30% neither agreed nor disagreed, and 20% strongly agreed.
- In the "Private Sector Bank" category, 43.8% of respondents agreed, 31.3% neither agreed nor disagreed, and 25% strongly agreed. There were no respondents who disagreed.
- In the "Public Sector Bank (PSB)" category, 43.2% agreed, 10.8% disagreed, 10.8% neither agreed nor disagreed, and 29.7% strongly agreed.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' opinions on whether merger and acquisition affected the performance of banking professionals due to overburdened work. The p-values for both tests are greater than 0.05, indicating no statistically significant relationship.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm the lack of a significant association between the two questions. The Phi value of 0.357 suggests a weak association.

In summary, the type of bank does not appear to have a significant influence on respondents' perceptions of whether merger and acquisition affected the performance of banking professionals due to overburdened work.



**Figure 4.22: Overburdened work resulting from Merger and acquisition affected baking professionals**

#### **4.4.23 Effects of merger and acquisition on common man's routine banking activities**

Q. 29 Do you agree that bank mergers ultimately have little influence on common man's routine banking? \* Q. 3 Which category does your bank fall under?

**Table 4.23: Effects of merger and acquisition on common man's routine banking activities**

| Crosstab                                                                                               |                            |                                                         |        |                     |                          |        |
|--------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|--------|---------------------|--------------------------|--------|
|                                                                                                        |                            | Q. 3 Which category does your bank fall under?          |        |                     |                          |        |
|                                                                                                        |                            |                                                         | Others | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 29 Do you agree that bank mergers ultimately have little influence on common mans' routine banking? | Agree                      | Count                                                   | 2      | 7                   | 20                       | 29     |
|                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 20.0%  | 43.8%               | 54.1%                    | 46.0%  |
|                                                                                                        | Disagree                   | Count                                                   | 5      | 5                   | 4                        | 14     |
|                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 50.0%  | 31.3%               | 10.8%                    | 22.2%  |
|                                                                                                        | Neither agree nor disagree | Count                                                   | 0      | 0                   | 3                        | 3      |
|                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 0.0%   | 0.0%                | 8.1%                     | 4.8%   |
|                                                                                                        | Strongly agree             | Count                                                   | 2      | 2                   | 7                        | 11     |
|                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 20.0%  | 12.5%               | 18.9%                    | 17.5%  |
|                                                                                                        | Strongly disagree          | Count                                                   | 1      | 2                   | 3                        | 6      |
|                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 10.0%  | 12.5%               | 8.1%                     | 9.5%   |
| Total                                                                                                  |                            | Count                                                   | 10     | 16                  | 37                       | 63     |
|                                                                                                        |                            | % within Q. 3 Which category does your bank fall under? | 100.0% | 100.0%              | 100.0%                   | 100.0% |

### Chi-Square Tests

|                    | Value               | Df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 10.879 <sup>a</sup> | 8  | .209                              |
| Likelihood Ratio   | 11.877              | 8  | .157                              |
| N of Valid Cases   | 63                  |    |                                   |

a. 11 cells (73.3%) have expected count less than 5. The minimum expected count is .48.

### Symmetric Measures

|                        | Value | Approximate Significance |
|------------------------|-------|--------------------------|
| Nominal by Nominal Phi | .416  | .209                     |
| Cramer's V             | .294  | .209                     |

|                         |      |      |
|-------------------------|------|------|
| Contingency Coefficient | .384 | .209 |
| N of Valid Cases        | 63   |      |

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 29 "Do you agree that bank mergers ultimately have little influence on common man's routine banking?" provides insights into respondents' opinions regarding the influence of bank mergers on routine banking for the common man.

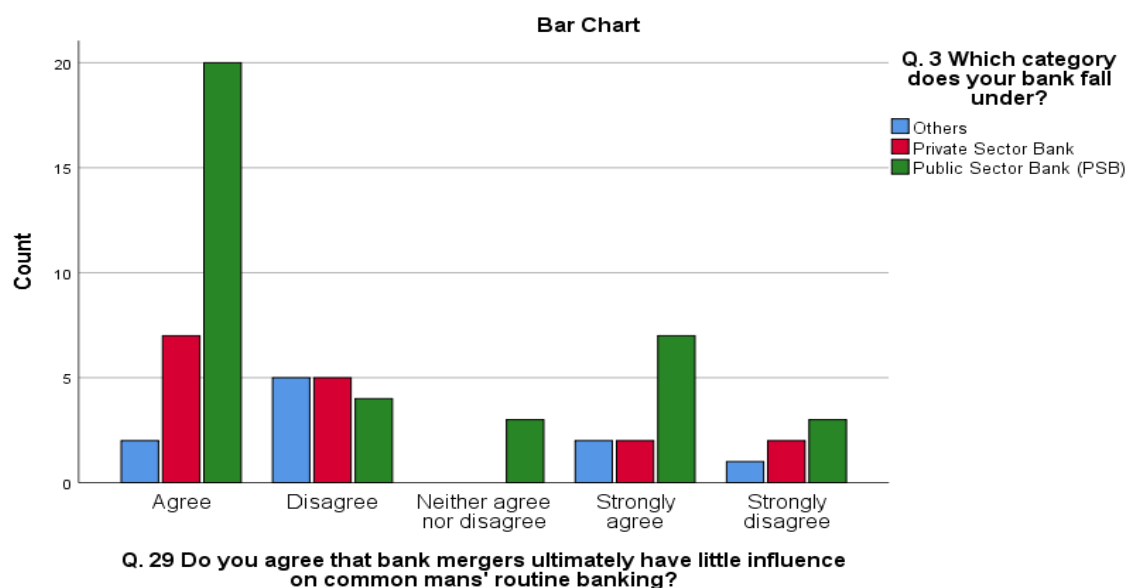
Here are the key findings:

- Among respondents from "Others," 20% agreed with the statement, 50% disagreed, 0% neither agreed nor disagreed, 20% strongly agreed, and 10% strongly disagreed.
- In the "Private Sector Bank" category, 43.8% of respondents agreed, 31.3% disagreed, 0% neither agreed nor disagreed, 12.5% strongly agreed, and 12.5% strongly disagreed.
- In the "Public Sector Bank (PSB)" category, 54.1% agreed, 10.8% disagreed, 8.1% neither agreed nor disagreed, 18.9% strongly agreed, and 8.1% strongly disagreed.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' opinions on whether bank mergers ultimately have little influence on common man's routine banking. The p-values for both tests are greater than 0.05, indicating no statistically significant relationship.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm the lack of a significant association between the two questions. The Phi value of 0.416 suggests a weak association.

In summary, the type of bank does not appear to have a significant influence on respondents' perceptions of whether bank mergers have little influence on common man's routine banking.



**Figure 4.23: Effects of merger and acquisition on common man's routine banking activities**

#### 4.4.24 Merger and higher quality products and services that benefit common man

Q. 30 Do you agree that mergers may lead to higher-quality products and services that benefit the common man? \* Q. 3 Which category does your bank fall under?

**Table 4.24: Merger and higher quality products and services that benefit common man**

| Crosstab                                                                                                      |                            |                                                         |                                                |                     |                          |        |
|---------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|---------------------|--------------------------|--------|
|                                                                                                               |                            |                                                         | Q. 3 Which category does your bank fall under? |                     |                          |        |
|                                                                                                               |                            |                                                         | Others                                         | Private Sector Bank | Public Sector Bank (PSB) | Total  |
| Q. 30 Do you agree that mergers may lead to higher-quality products and services that benefit the common man? | Agree                      | Count                                                   | 4                                              | 4                   | 12                       | 20     |
|                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 40.0%                                          | 25.0%               | 32.4%                    | 31.7%  |
|                                                                                                               | Disagree                   | Count                                                   | 2                                              | 3                   | 7                        | 12     |
|                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 18.8%               | 18.9%                    | 19.0%  |
|                                                                                                               | Neither agree nor disagree | Count                                                   | 2                                              | 4                   | 11                       | 17     |
|                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 20.0%                                          | 25.0%               | 29.7%                    | 27.0%  |
|                                                                                                               | Strongly agree             | Count                                                   | 1                                              | 1                   | 3                        | 5      |
|                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 6.3%                | 8.1%                     | 7.9%   |
|                                                                                                               | Strongly disagree          | Count                                                   | 1                                              | 4                   | 4                        | 9      |
|                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 10.0%                                          | 25.0%               | 10.8%                    | 14.3%  |
| Total                                                                                                         |                            | Count                                                   | 10                                             | 16                  | 37                       | 63     |
|                                                                                                               |                            | % within Q. 3 Which category does your bank fall under? | 100.0%                                         | 100.0%              | 100.0%                   | 100.0% |

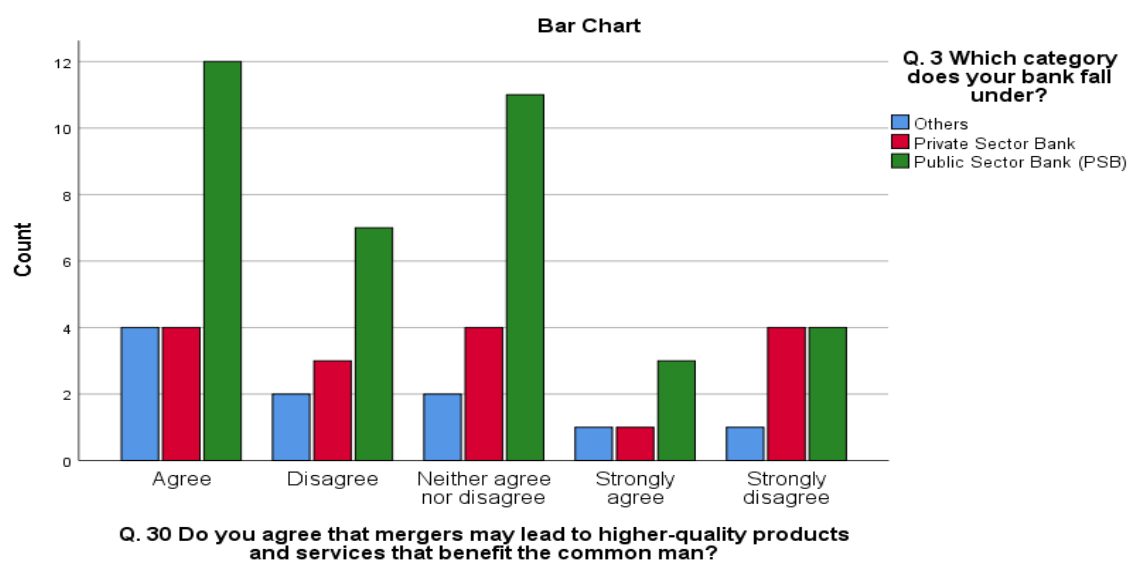
## Chi-Square Tests

|                    | Value              | Df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|--------------------|----|------------------------------------------|
| Pearson Chi-Square | 2.602 <sup>a</sup> | 8  | .957                                     |
| Likelihood Ratio   | 2.426              | 8  | .965                                     |
| N of Valid Cases   | 63                 |    |                                          |

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .79.

## Symmetric Measures

|                         | Value | Approximate<br>Significance |
|-------------------------|-------|-----------------------------|
| Nominal by Nominal Phi  | .203  | .957                        |
| Cramer's V              | .144  | .957                        |
| Contingency Coefficient | .199  | .957                        |
| N of Valid Cases        | 63    |                             |



**Figure 4.24: Merger and higher quality products and services that benefit common man**

The crosstab analysis between survey question Q. 3 "Which category does your bank fall under?" and Q. 30 "Do you agree that mergers may lead to higher-quality products and services that benefit the common man?" provides insights into respondents' opinions regarding the impact of mergers on the quality of products and services for the common man.

Key findings:

- Among respondents from "Others," 40% agreed with the statement, 20% disagreed, 20% neither agreed nor disagreed, 10% strongly agreed, and 10% strongly disagreed.
- In the "Private Sector Bank" category, 25% of respondents agreed, 18.8% disagreed, 25% neither agreed nor disagreed, 6.3% strongly agreed, and 25% strongly disagreed.
- In the "Public Sector Bank (PSB)" category, 32.4% agreed, 18.9% disagreed, 29.7% neither agreed nor disagreed, 8.1% strongly agreed, and 10.8% strongly disagreed.

The chi-square tests (Pearson Chi-Square and Likelihood Ratio) indicate that there is no statistically significant association between the type of bank and respondents' opinions on whether mergers may lead to higher-quality products and services that benefit the common man. The p-values for both tests are greater than 0.05, indicating no statistically significant relationship.

Similarly, the symmetric measures (Phi, Cramer's V, and Contingency Coefficient) confirm the lack of a significant association between the two questions. The Phi value of 0.203 suggests a weak association.

In summary, the type of bank does not appear to have a significant influence on respondents' perceptions of whether mergers may lead to higher-quality products and services benefiting the common man.

#### **4.5 Thematic Analysis of Interview results**

For the thematic analysis, 15 open-ended questions from the questionnaire have been chosen. The responses from the 50 respondents were duly noted. The responses are from two sets of groups, that is, one from the economists and other from the top-level banking professionals. All the respondents were asked the same questions pertaining to the topic of Mega banking mergers and global position by analysing the role of banking coalescence in strengthening the international presence of Indian banks. The responses are as follows:

The first question of how they view the current merger and acquisition landscape in the banking industry. The respondents mentioned that the current merger and acquisition landscape in the banking industry is primarily seen as a means of consolidation to create larger, more robust banks. Many view this trend with caution, expressing concerns that it may lead to the creation of monopolistic institutions that could wield too much power in the market. However, there is also a recognition that mergers and acquisitions are often driven by the need to save weaker banks and strengthen the overall economy. In this sense, these financial manoeuvres can be viewed as a necessary step towards ensuring the stability and health of the banking sector.

The respondents were then inquired upon their participation in any mergers, acquisitions, or reorganizations at your bank in the past five years with specification. The respondents replied that while they have not been directly involved in mergers, acquisitions, or reorganizations at my bank in the past five years, they have observed the transitional period that followed such activities. This period involved significant adjustments and changes in the banking environment, which were evident even to those not directly participating in the merger or acquisition process.

The researcher asked the respondents about their thoughts about the most important factors in today's market for mergers and acquisitions. The most important factors driving mergers and acquisitions in today's banking market appear to be the need to save weaker banks and strengthen the overall banking system. Mergers and acquisitions are also seen as a way to achieve cost reduction and efficiency by eliminating duplication of efforts and resources. Additionally, they send a clear message to banks that the principle of "survival of the fittest" applies in the competitive market, encouraging banks to become more productive and competitive.

For the next question, the researcher queried if PSBs combine or merge, what does it mean for the industry as a whole. According to the respondents, if Public Sector Banks (PSBs) combine or merge, it is expected to result in the creation of larger, more robust banks. This, in turn, would enhance the country's standing in the global financial sector, potentially making it a more competitive player on the international stage. Such mergers are anticipated to increase the lending capacity of banks, thereby accelerating capital generation and strengthening the overall banking industry.

Next, the researcher asked why they think merger and acquisition play a vital role in strengthening the banking position in the domestic and global market. One of the respondents

replied that mergers and acquisitions play a vital role in strengthening the banking position in both domestic and global markets by pooling resources and funds. The merging of banks results in a larger capital base, which allows them to engage in more extensive international business and investment opportunities. Furthermore, it is believed that the consolidation of human resources and infrastructure in mergers leads to economies of scale and operational efficiencies. These factors contribute to the improved profitability and competitiveness of banks, making them more formidable players in the financial sector.

The respondents were asked about the advantages that the government has in merger and acquisition in the banking sector. The respondents pointed out that the government stands to benefit from mergers and acquisitions in the banking sector in several ways. One significant advantage is the potential reduction in the need for government funding to support struggling or weaker banks. Merging a strong bank with comparatively weaker ones may eliminate the necessity for ongoing government financial support. Additionally, mergers can make banks more attractive to private and foreign investors, thereby reducing the government's financial burden while fostering economic growth.

The researcher asked the respondents about their thoughts on PSBs merger reducing dependency on the government for capital or funding. The responses suggested that the merger of Public Sector Banks (PSBs) can reduce dependency on the government for capital or funding by creating stronger, more self-sufficient banking entities. When a strong bank merges with weaker ones, it is expected that the merged entity will have the financial stability and capacity to operate without continuous government funding. This reduces the burden on the government to provide financial support to struggling banks, as the merged entity can stand on its own feet more effectively.

When asked about their thoughts on mega banking mergers enhancing banks' international presence in terms of market size, the respondents replied that mega banking mergers enhance banks' international presence by significantly increasing their total assets, capital, and liabilities. With larger financial resources at their disposal, merged banks have the capacity to compete in the global market on a grand scale. This expansion in market size allows them to engage in more extensive international operations and attract greater attention from international investors and partners.

The respondents were asked about their belief that mergers and acquisitions create greater prospects for capital formation and the responses suggested that mega mergers and acquisitions

create greater prospects for capital formation by consolidating the assets, resources, and capital of the merging banks. The resulting increase in total assets and capital base enables banks to attract more investment and generate additional capital. This, in turn, facilitates their ability to engage in larger-scale lending and investment activities, further strengthening their financial position.

Upon being asked how they would describe the mega banks merger's ability to lower operating costs and improve profit optimization, the respondents opined that the merger of mega banks has the potential to lower operating costs and improve profit optimization through several means. These include the adoption of new technologies, renewed measures for non-performing asset (NPA) recovery, staff consolidation, and a reduction in the number of branches. These changes collectively result in cost reduction and efficiency improvements, ultimately leading to improved profit margins for the merged banks.

The researcher asked the respondents about the impact acquisitions and mergers have on banking professionals. The responses indicated that acquisitions and mergers can have a significant impact on banking professionals. Some professionals may perceive these changes as step motherly treatment due to shifts in posting, transfers, promotions, and perks. While there may be initial apprehensions and adjustments, banking professionals tend to adapt over time and recognize the benefits that mergers can bring to their careers and the industry as a whole.

For the next question, the researcher asked how mergers and acquisitions affect employee job satisfaction with new bank rules, benefits, and working conditions. The respondents ascertained that the mergers and acquisitions affect employee job satisfaction, particularly regarding new bank rules, benefits, and working conditions. Initially, employees may feel apprehensive about the changes. However, as they adapt and understand the benefits, their job satisfaction tends to improve. It is a process of adjustment, with the ultimate goal of providing a more stable and competitive work environment.

The researcher asked the kind of reaction the common man had when they heard about the megabank merger and the responses suggested that common individuals had various reactions when they heard about the megabank merger. Initially, there was a sense of insecurity in the minds of the common man. They were concerned about the potential impacts on their banking experience, as staff changes and adjustments to the new banking environment took time. Customers may have felt uncertain about the quality of services, especially during the transition

period. However, with time, as bank staff improved the quality of their services and customers adapted to the changes, the common man's concerns began to diminish.

For the next question, the researcher asked the opinion of respondents on what benefits have been created for the overall experience of the customer as a result of the merger. The answers indicated that as a result of the merger, the overall customer experience witnessed initial adjustment problems in the short run, both for customers and banking professionals. However, banks worked to enhance service standards, improve turnaround times, and make the transition smoother for customers. Over time, these efforts led to better service quality and an improved banking experience for customers.

The researcher also asked regarding the kinds of difficulties you anticipate facing the common man and banking professionals before and following bank mergers and the response suggested that before and following a bank merger, difficulties are anticipated for both the common man and banking professionals. Initially, common individuals may face challenges related to service standards, as the transition period may lead to disruptions in the banking services they are accustomed to. Banking professionals may encounter difficulties related to cultural integration, work-life balance, and increased work pressure. However, these issues are expected to diminish over time as both customers and professionals adapt to the changes brought about by the merger

#### **4.6 Role and impact of mega banking-mergers**

Role and Impact of Mega Banking-Mergers is a category that delves into how mergers and acquisitions in the banking sector influence various aspects. Respondents shared their perspectives on the role of these mega mergers, their impact on market dynamics, competition, and the international presence of banks.

For instance, in response to the research question about the role of mega banking-mergers in terms of market size, one interviewee commented, "It suggests that banking mergers are a means of consolidation to create larger, more robust financial institutions. The focus here is on the size and strength of the banks resulting from mergers. The code indicates that they view the consolidation as a strategy to establish bigger banks that can have a greater presence in the market."

This response highlights the perception that banking mergers aim to create larger and more formidable banks to increase their market presence. It aligns with the broader theme of

consolidation and market size, showcasing how such mergers play a crucial role in shaping the banking landscape.

#### **4.7 Usefulness of Bank Consolidation**

Usefulness of Bank Consolidation is the second category, focusing on how bank consolidation can bring about benefits or challenges for various stakeholders, such as the government, banking professionals, and the common man.

For instance, in response to the research question regarding the consolidation of banks' usefulness for the government, an interviewee shared, "The interviewee in response to Q4 sees the consolidation of banks as an advantageous strategy for the government. The code reflects an acknowledgment that the government can have a range of benefits from bank mergers, although specific advantages are not detailed."

This response underscores that respondents see bank consolidation as a strategy that can bring about advantages for the government, even though the specific benefits are not outlined. It hints at the utility of bank consolidation from a government perspective, aligning with the broader theme of government benefits.

These categories provide a structured approach to understanding how mega banking-mergers are perceived by respondents, their role in the banking sector, and the broader implications for various stakeholders.

#### **4.8 Qualitative Data Analysis**

The initial phase involves thoroughly reading, comprehending, and interpreting transcripts of interviews or other qualitative data sources. This foundational step is crucial for gaining a deep understanding of the entire dataset that will be used, including all relevant data from interviews. During this process, researchers take detailed notes and record their initial impressions and interpretations. These preliminary insights serve as a basis for further analysis and are often organized in a table format that summarizes key responses to specific questions posed during the interviews, facilitating the identification of patterns, themes, and significant findings within the qualitative data.

Thematic analysis based on approximately 15 selected open-ended questions from a questionnaire administered to two distinct groups: economists and top-level banking professionals. The respondents' answers, collected and documented, focus on the topic of Mega

banking mergers and their impact on the global positioning of Indian banks. Each group was asked identical questions exploring the role of banking consolidation in enhancing the international presence of Indian financial institutions. The table organizes and presents the responses from both groups, providing insights into their perspectives and opinions on this significant aspect of the banking sector's strategic development.

The researcher began the interview with the first question of how they view the current merger and acquisition landscape in the banking industry. The respondents mentioned that the current merger and acquisition landscape in the banking industry is primarily seen as a means of consolidation to create larger, more robust banks. The sentiment leans positively towards these consolidations. Many responses highlight the benefits such as increased synergy in resources, manpower, and portfolios, the creation of larger banks with higher capital, and a stronger global presence. Mergers are seen as a strategic move to strengthen weaker banks and improve financial health, particularly through resolving non-performing assets (NPAs). Some responses emphasize the alignment with global trends, noting the expansion of private sector banks and the strategic acquisitions that enhance their service offerings. Additionally, the partnerships between banks and Non-Banking Financial Companies (NBFCs) are seen as advantageous for accessing wider customer bases. The digital transformation and technological innovation driven by these mergers are viewed as essential for modernizing services. However, there are also critical viewpoints. Concerns are raised about the negative impact on employees, potential harm to stakeholders, and doubts about the overall benefit to the country. The role of the government and regulatory environment in facilitating these mergers is noted, with some responses indicating political motivations behind these decisions. Despite these concerns, the majority sentiment considers mergers and acquisitions as a necessary step for improving control, rationalizing services, and boosting the banking sector's competitiveness and robustness.

The researcher found that responses to the question "Have you participated in any mergers, acquisitions, or reorganisations at your bank in the past five years?" varied, with a majority indicating no involvement. Specifically, many respondents stated "No" to participating in such activities. However, several individuals noted their involvement, including a few who mentioned significant roles in mergers, acquisitions, or reorganisations, like the merger of Syndicate Bank with Canara Bank and participation in HR integrations. Others indicated minimal or peripheral involvement, observing the processes or contributing in smaller capacities.

The researcher identifies several critical factors driving mergers and acquisitions in today's market, including the consolidation of banks to enhance stability and financial strength, supported by government policies aimed at reducing competition and fostering global competitiveness. Economic conditions like interest rates and market sentiment, along with determining the right valuation, play crucial roles in M & A decisions. The push towards technological advancements and digital transformation prompts tech-driven mergers, while globalisation encourages cross-border acquisitions. Financial health and operational synergies are pivotal in rescuing weaker banks and increasing efficiency. Lastly, maintaining trust and addressing HR issues are essential for successful integrations.

For the next question, the researcher queried if PSBs combine or merge, what does it mean for the industry as a whole. The researcher highlights a mix of potential benefits and challenges. The overall sentiment is that mergers among Public Sector Banks (PSBs) can lead to the creation of stronger, more robust institutions with enhanced financial stability and competitive strength. This consolidation could result in the availability of better financial products at lower costs and improved customer service, contributing to the overall growth and strength of the financial sector. However, the researcher also notes several concerns, including the risk of monopolistic practices, reduced competition, and the possibility of increased government control. These factors may lead to a centralized risk, potentially creating single points of failure, especially during economic downturns. Additionally, the mergers could challenge smaller banks and lead to "the survival of the fittest" scenario, where only the most profitable banks thrive. The integration process itself poses significant hurdles, including issues related to human resources, customer management, and the realization of synergies. The long-term success of these mergers depends heavily on meticulous planning, effective execution, and strong regulatory oversight. Ultimately, while PSB mergers might bolster the banking sector and offer a competitive edge against private sector banks, they also signal a need for serious reforms and careful management to ensure sustainable benefits and minimize the risks to customers and the industry as a whole.

Next, the researcher concludes that mergers and acquisitions (M&A) play a vital role in strengthening the banking position in both domestic and global markets for several reasons. They save weaker banks and bolster the overall economy, enhance the total portfolio and resources of the banks involved, and improve their credibility and competitive stance. M&A creates larger banks that can better support substantial infrastructure projects and handle large-scale funding needs, which is crucial for national economic growth. Additionally, M&A activities contribute to the diversification of banks' operations across different geographies and customer segments, reducing risks associated with economic downturns and industry-specific challenges. The resulting economies of scale from eliminating redundant functions and optimizing operations lead to cost savings and improved efficiency. This consolidation allows banks to combine their strengths, thus forming stronger entities capable of more centralized decision-making and efficient fund allocation. In a competitive global market, larger banks emerging from M&A have increased market share and bargaining power, giving them a competitive edge over smaller counterparts. They also gain access to new markets and customer bases, enabling opportunities for cross-selling a broader range of financial products and services. These mergers facilitate access to advanced technology, helping banks stay competitive in an increasingly digital banking landscape. Furthermore, merged entities have a better ability to manage and diversify risks, enhancing their resilience to financial crises and adverse market conditions. In international contexts, M&A helps banks establish a presence in key financial hubs, crucial for serving multinational corporations and global clients. Meeting regulatory requirements and achieving higher capital adequacy ratios become more manageable for larger institutions formed through M&A, positioning them better to withstand economic pressures. These entities are also more capable of investing in innovation and developing new products and services, keeping pace with evolving customer needs and preferences.

The researcher for the question " Why do you think PSBs merger reduces dependency on the government for capital or funding?" analysed various responses highlighting several key points. Respondents generally emphasized that mergers enhance financial stability and profitability, thereby reducing the need for government funding. They noted that merged entities can achieve stronger capital adequacy ratios, operational efficiencies, and increased revenue through broader market access and cross-selling opportunities. Additionally, they highlighted improved market confidence, access to diverse funding sources, and optimized risk management as factors

contributing to reduced reliance on government funding. However, some respondents expressed scepticism regarding complete independence from government support, citing ongoing needs during disinvestment and regulatory requirements.

The researcher for the question "Why do you think that mega banking-mergers enhance banks' international presence in terms of market size?" received various responses, highlighting a range of perspectives: Respondents emphasize that the creation of larger banks through mergers enhances a country's stature in the global financial sector. They argue that these mega banks benefit from portfolio synergy, making them more competitive and capable of navigating financial turbulence. Additionally, they point out that larger banks can extend their reach beyond domestic markets, accessing opportunities abroad and attracting foreign direct investment. Furthermore, they note that mega mergers result in increased total assets and capital, which bolster the banks' international presence. This is supported by the diversification of product offerings and services, enhancing attractiveness to international clients. Moreover, the larger scale enables better risk management, access to global capital markets, and smoother compliance with international regulations.

The researcher explored responses to the question on why mergers and acquisitions (M&A) foster greater prospects for capital formation, revealing a range of perspectives. Respondents emphasized several key factors. They noted that mergers enable a broader portfolio and business scope, which attracts more capital from the market. Additionally, mergers make entities more accessible to international markets, enhancing their ability to attract global investment. Respondents highlighted how combining banks can bolster their lending capacity, leading to accelerated capital generation. Moreover, the consolidation of large banks naturally attracts more funds and supports increased capital formation. Respondents also pointed out that post-merger, banks can enhance their lending capacity, thereby facilitating greater capital investments in industries. Overall, the consensus among respondents was that mergers and acquisitions not only strengthen financial stability and creditworthiness but also unlock operational efficiencies that boost profitability and internal capital generation. These insights underscore the belief that M&A activities play a crucial role in enhancing capital formation through improved market access, financial strength, and operational synergy.

The researcher found that respondents highlighted various benefits and strategies related to the ability of mega bank mergers to lower operating costs and improve profit optimization. Several key themes emerged: The merger's potential to reduce overlapping activities and duplicate functions was consistently noted as a way to decrease operating costs. Respondents emphasized economies of scale and scope, suggesting that larger asset bases allow for spreading fixed costs and enhancing profitability. Integration of technology platforms, consolidation of workforce, and rationalization of branches were frequently cited as operational efficiencies that contribute to cost savings and improved profitability. Strategies such as supplier negotiations, risk management enhancements, and cross-selling opportunities were highlighted as additional avenues to optimize profits.

The researcher for the question "What impact do acquisitions and mergers have on banking professionals?" found varied responses from respondents. Respondents emphasize that mergers and acquisitions (M&A) in banking can lead to significant changes in the professional landscape. These changes encompass both positive and negative aspects. On the positive side, banking professionals may experience career growth opportunities, better pay packages, exposure to new technologies, and the chance to learn from colleagues in the merged entity. However, there are also significant challenges such as increased job insecurity, cultural integration issues, changes in roles and responsibilities, and heightened stress levels due to workload and adjustment problems. Additionally, uncertainties surrounding job security and the need to adapt to new organizational cultures and technologies are commonly cited concerns among banking professionals affected by M&A activities.

The researcher found a variety of responses regarding how mergers and acquisitions affect employee job satisfaction with new bank rules, benefits, and working conditions. Respondents highlighted a range of sentiments: Some expressed initial apprehension but acknowledged benefits over time, while others mentioned concerns about staff reductions affecting lower-level employees more than higher-ups. Positive experiences included improved parameters such as job satisfaction, benefits, and working conditions in some banks, especially noted by younger employees who adapt well to change. However, older employees often face adjustment challenges that impact their satisfaction negatively. Others emphasized increased growth opportunities and synchronized workload increases with pay raises as positive outcomes.

Conversely, concerns were raised about government apathy leading to degraded job conditions over the years, and some felt that strict new rules could adversely affect satisfaction. Effective management practices, including communication, support, and transparency, were seen as crucial in mitigating negative impacts and potentially improving job satisfaction during and after mergers and acquisitions.

The researcher found a range of responses among common individuals regarding their reactions to the mega bank merger. Respondents highlighted insecurity, confusion, and anxiety about the merger's implications on personal finances and banking services. Some expressed scepticism and doubts about the government's intentions, while others viewed it as a necessary step for the financial sector. Concerns about job security, branch closures, and changes in banking services were prevalent, reflecting mixed feelings towards the merger's potential impact on their daily lives.

The researcher highlights that respondents have varied perspectives on the benefits of the merger for the overall customer experience. Many respondents noted improvements in service quality and efficiency, citing better service standards, quicker responses, and enhanced technology adoption. For instance, some mentioned the adoption of advanced technology and streamlined banking procedures as key advantages. Moreover, respondents highlighted expanded branch and ATM networks, improved digital services, and a broader range of financial products as positive outcomes. However, some expressed neutral or negative views, pointing out concerns such as reduced competition and diminished personal relationships with bank officials. Overall, the responses reflect a mix of optimism about service enhancements and some reservations regarding the broader impacts of bank mergers on customer experiences.

The researcher for the question "What kinds of difficulties do you anticipate facing the common man and banking professionals before and following a bank merger" received a variety of responses highlighting both anticipated challenges and eventual outcomes. Respondents pointed out that both customers and banking professionals encounter initial adjustment issues, such as adapting to new rules, policies, and technological changes. Common concerns for customers included uncertainty about account stability, changes in banking services, and temporary disruptions in service availability. On the other hand, banking professionals expressed fears related to job security, role changes, and cultural integration within the merged entity. Notably, respondents emphasized that these difficulties can be mitigated through education about new

banking services and operational procedures. Despite the initial hurdles, some noted that mergers can strengthen banks, benefiting both customers and employees by enhancing service capabilities and morale. Overall, while challenges like job losses and technological adaptation were acknowledged, respondents also pointed to the potential for improved banking efficiency and customer service in the long term.

#### **4.9 Generate Initial Codes**

In this stage, the primary objective is to systematically structure the study data in a coherent and significant manner. Coding plays a crucial role here, as it entails condensing extensive amounts of information into more manageable units that are pertinent to the research inquiries. This process specifically targets data segments that are directly related to or encompass elements of interest aligned with the research questions. It is important to note that not every piece of text undergoes coding; rather, the focus is on selectively coding text that holds relevance to the study's objectives. The approach adopted in this research is open coding, which implies that the codes used were not predetermined but instead evolved and developed organically throughout the coding process. This method allows for a flexible and exploratory approach to identifying patterns and themes within the data, ensuring that the analysis remains responsive to the nuances and complexities uncovered during the study.

#### **4.10 Generate Key Themes**

As can be seen from the following table, the major themes identified from the respondents' opinions and relevant research questions are listed, along with their corresponding subheadings.

Based on the answers to the survey questions, themes have been identified, along with subheadings corresponding to those themes.

- **Perceptions on Mergers and Acquisitions:** This category explores how stakeholders perceive mergers and acquisitions within the banking sector. It includes themes such as the impact on industry structure (consolidation), the role of digital transformation, concerns about asset quality and non-performing assets (NPAs), regulatory considerations, and the influence of political decisions on M&A activities.
- **Personal Experience with M&A:** This category focuses on the firsthand experiences of individuals or institutions involved in mergers and acquisitions. Themes include

specific cases of mergers and acquisitions, challenges faced during HR integration, and operational impacts observed post-merger.

- **Factors Influencing M&A Decisions:** This category examines the factors that drive decision-making processes related to mergers and acquisitions in the banking industry. Themes encompass the rationale behind consolidation efforts to create larger banks, considerations of valuation and pricing, economic conditions influencing M&A trends, technological innovations shaping strategies, globalization impacts, availability of financing, and market sentiments affecting decisions.
- **Impact of PSB Mergers on Banking Industry:** This category assesses the broader impacts of mergers involving Public Sector Banks (PSBs) on the banking industry. Themes cover concerns about monopolistic tendencies, implications for financial stability, improvements in service quality, reductions in competitive pressures, enhanced competitive positioning of merged entities, and contributions to overall economic development.
- **Role of M&A in Banking Strength:** This category explores how mergers and acquisitions contribute to strengthening the banking sector. Themes include benefits such as achieving increased scale and market share, diversification strategies, efficiency gains through cost reductions, expansion of customer bases, and opportunities for global market expansion.
- **Government's Role and Advantages in M&A:** This category examines the role of governments in facilitating or regulating mergers and acquisitions in the banking sector. Themes encompass saving financially weak banks, regulatory oversight and control mechanisms, financial support initiatives, alignment of policies to support M&A activities, risk management considerations, bolstering market confidence, and stabilizing economic conditions.
- **Reduction of Government Dependency:** This category focuses on how mergers and acquisitions can reduce dependency on government support within the banking sector. Themes include strategies like privatization and funding dynamics, enhancing market competitiveness, achieving financial independence and stability, ensuring long-term viability through effective risk management practices.

- **Enhancement of International Presence:** This category explores how mergers and acquisitions contribute to enhancing the global footprint of banks. Themes include building competence and market size, expanding global reach, acquiring new assets and customer bases, diversifying customer demographics, and boosting investor confidence through international expansions.
- **Prospects for Capital Formation:** This category examines how mergers and acquisitions create opportunities for capital formation within the banking sector. Themes include facilitating growth and attracting capital investments, improving market access, generating new capital streams, enhancing creditworthiness, achieving cost efficiencies, expanding globally, managing risks effectively, and attracting profitability.
- **Lowering Operating Costs and Profit Optimization:** This category focuses on how mergers and acquisitions can lead to operational efficiencies and profit optimizations. Themes include realizing economies of scale, optimizing functions such as technology integration and branch rationalization, negotiating better terms with suppliers, enhancing risk management practices, and fostering innovation investments.
- **Impact on Banking Professionals:** This category examines how mergers and acquisitions affect professionals within the banking sector. Themes include concerns about job security and uncertainties, changes in roles and responsibilities, cultural integration challenges, implications for training and development programs, adjustments in compensation and benefits structures, managing increased workloads, and exploring new career opportunities.
- **Job Satisfaction with New Bank Environment:** This category explores the factors influencing job satisfaction among banking professionals following mergers and acquisitions. Themes include the adjustment period during integration phases, changes in rules and benefits, impacts on employee morale and support systems, perceptions of workload and working conditions.
- **Public Reaction to Mergers:** This category assesses the general public's reactions to mergers and acquisitions within the banking sector. Themes include feelings of insecurity and anxiety among customers and stakeholders, concerns about maintaining customer loyalty, assessing financial impacts on stakeholders, ensuring continued access to banking services, and addressing employee concerns during transition phases.

- **Customer Benefits Post-Merger:** This category examines the benefits accrued to customers following mergers and acquisitions in the banking sector. Themes include adoption of new technologies, improvements in overall banking experiences, enhancements in service standards, expansions of branch networks, and competitive pricing strategies aimed at benefiting customers.
- **Challenges Pre and Post-Merger:** This category identifies the challenges encountered before and after mergers and acquisitions in the banking sector. Themes include managing adjustment issues during integration phases, addressing job insecurities among employees, navigating cultural and technological integration challenges, mitigating service disruptions, adapting to policy changes, and improving communication strategies throughout the transition process.

#### 4.11 Secondary data analysis

**Table 4.25: Pre and Post merger financial Ratios of Merged Banks**

PRE AND POST MERGER SELECTED FINANCIAL RATIOS OF MERGED BANKS

|                         | Punjab National Bank |            | Canara Bank |            | Union Bank of India |            | Indian Bank |            |
|-------------------------|----------------------|------------|-------------|------------|---------------------|------------|-------------|------------|
| Ratios                  | March 2020           | March 2021 | March 2020  | March 2021 | March 2020          | March 2021 | March 2020  | March 2021 |
| <b>Capital Adequacy</b> |                      |            |             |            |                     |            |             |            |
| CRAR (%)                | 14.14                | 14.32      | 13.65       | 13.18      | 12.81               | 12.56      | 14.12       | 15.71      |
| Tier 1 (%)              | 11.9                 | 11.5       | 10.12       | 10.08      | 10.75               | 10.35      | 12.08       | 11.93      |
| Tier 2 (%)              | 2.24                 | 2.82       | 3.53        | 3.1        | 2.06                | 2.21       | 2.04        | 3.78       |
| CET 1                   | 10.69                | 10.62      | 9.39        | 8.61       | 7.735               | 9.07       | 11.78       | 11.27      |
| <b>Asset Quality</b>    |                      |            |             |            |                     |            |             |            |
| G NPA Ratio (%)         | 14.21                | 14.12      | 8.21        | 8.93       | 14.15               | 13.74      | 6.87        | 9.85       |
| N NPA Ratio (%)         | 5.78                 | 5.73       | 4.22        | 3.82       | 5.49                | 4.62       | 3.13        | 3.37       |
| <b>Mgt. Quality</b>     |                      |            |             |            |                     |            |             |            |

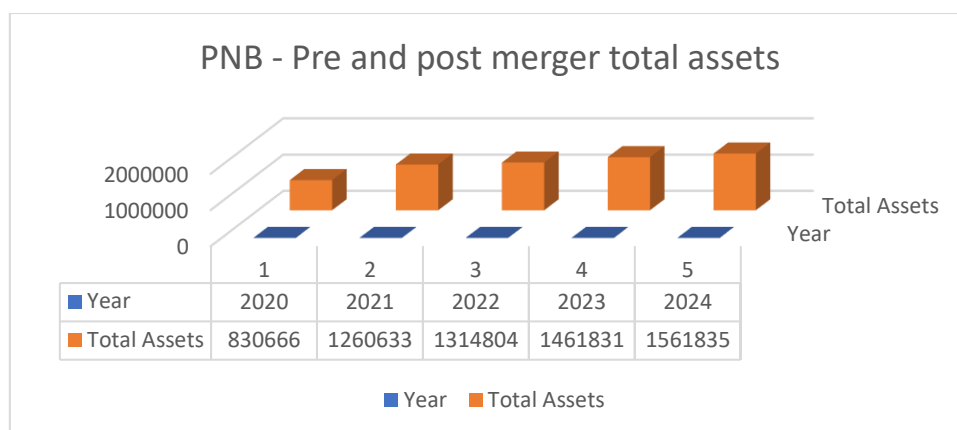
|                                      |        |       |       |       |        |       |       |       |
|--------------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|
| Market value of equity capital (Rs.) | 33.25  | 36.65 | 90.5  | 152.2 | 28.75  | 34.05 | 43.1  | 116.1 |
| Business per employee (Rs. Crore)    | 18.21  | 18.85 | 17.63 | 18.14 | 20.06  | 19.23 | 24.62 | 22.17 |
| Profit per employee (Rs. Crore)      | 0.01   | 0.02  | -0.04 | 0.03  | -7.77  | 3.72  | 0.04  | 0.07  |
| <b>Earning Quality</b>               |        |       |       |       |        |       |       |       |
| Operating Profit Margin              | 1.7    | 1.73  | -1.34 | 1.81  | 1.68   | 1.78  | 2.2   | 1.91  |
| Net Profit Margin (NPM) (%)          | 0.53   | 2.16  | -3.94 | 3.02  | -6.82  | 3.63  | 2.87  | 2.81  |
| Net Interest Income (NII) (%)        | 2.1    | 2.42  | 1.81  | 2.09  | 2.08   | 2.3   | 2.08  | 2.28  |
| Net Interest Margin (NIM) (%)        | 2.17   | 2.99  | 2.29  | 2.75  | 2.29   | 2.74  | 2.87  | 2.81  |
| Return on Assets (ROA) (%)           | 0.04   | 0.15  | -0.32 | 0.23  | -0.53  | 0.27  | 0.26  | 0.5   |
| Return on Equity (ROE) (%)           | -18.65 | 3.88  | -8.05 | 6.71  | -12.5  | 6.68  | 1.23  | 2.66  |
| Earnings Per Share (EPS) (Rs.)       | 0.62   | 2.08  | -26.5 | 16.91 | -12.49 | 4.54  | 14.33 | 26.61 |
| <b>Liquidity position</b>            |        |       |       |       |        |       |       |       |
| Liquid assets to total assets (%)    | 9.15   | 8.83  | 9.57  | 15.46 | 10.01  | 7.88  | 4.5   | 8.64  |

|                                           |       |       |       |       |       |       |       |       |
|-------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Government securities to total assets (%) | 24.51 | 27.27 | 20.87 | 22.22 | 19.48 | 22.42 | 22.52 | 25.17 |
| Liquid assets to total deposits (%)       | 10.80 | 10.66 | 10.09 | 17.65 | 12.23 | 9.14  | 5.35  | 10.05 |

**Table 4.26 Pre-and post-merger financials of PNB**

| Summary of financials of PNB (Pre- and post-merger) (Rs. in Crore) |               |                |                |                |                |
|--------------------------------------------------------------------|---------------|----------------|----------------|----------------|----------------|
|                                                                    | Pre-merger    | Post-merger    |                |                |                |
|                                                                    | 2019-'20      | 2020-'21       | 2021-'22       | 2022-'23       | 2023-'24       |
| Capital                                                            | 1348          | 2096           | 2202           | 2202           | 2202           |
| Reserves                                                           | 61010         | 88842          | 93285          | 97653          | 104274         |
| Deposits                                                           | 703846        | 1106332        | 1146218        | 1281163        | 1369713        |
| Borrowings                                                         | 50225         | 42840          | 45681          | 51292          | 50430          |
| Others                                                             | 14237         | 20523          | 27418          | 29521          | 35216          |
| <b>Total Liabilities</b>                                           | <b>830666</b> | <b>1260633</b> | <b>1314804</b> | <b>1461831</b> | <b>1561835</b> |
| Investments                                                        | 240466        | 392983         | 372168         | 395997         | 420318         |
| Advances                                                           | 471827        | 674230         | 728186         | 830834         | 934431         |
| Other Assets                                                       | 118373        | 193420         | 214450         | 235000         | 207086         |
| <b>Total Assets</b>                                                | <b>830666</b> | <b>1260633</b> | <b>1314804</b> | <b>1461831</b> | <b>1561835</b> |
| Total CAR (%)                                                      | 14.14         | 14.32          | 14.5           | 15.5           | 15.97          |
| No. of branches                                                    | 7040          | 10769          | 10098          | 10076          | 10136          |

Source: PNB Annual Reports

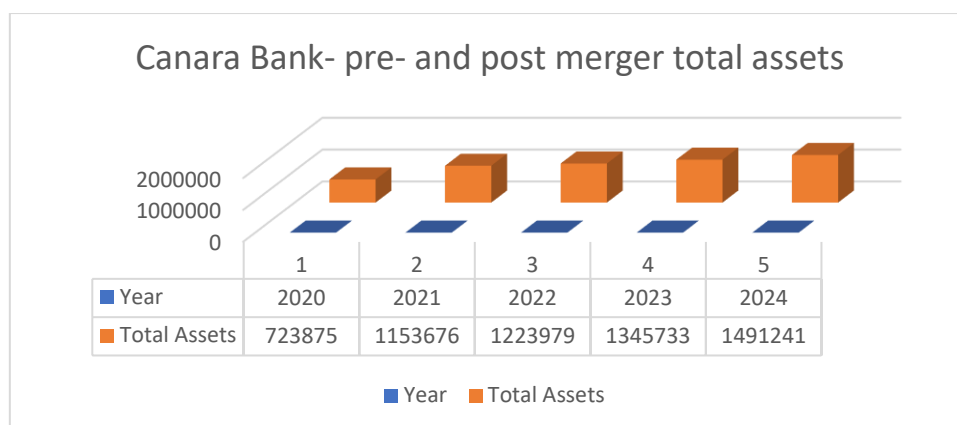


**Figure 4.25 Pre-and post-merger total assets of PNB**

**Table 4.27: Pre- and post-merger financials of Canara Bank**

| <b>Summary of financials of Canara Bank (Pre- and post-merger) (Rs. in Crore)</b> |                   |                    |                 |                 |                 |
|-----------------------------------------------------------------------------------|-------------------|--------------------|-----------------|-----------------|-----------------|
|                                                                                   | <b>Pre-merger</b> | <b>Post-merger</b> |                 |                 |                 |
|                                                                                   | <b>2019-'20</b>   | <b>2020-'21</b>    | <b>2021-'22</b> | <b>2022-'23</b> | <b>2023-'24</b> |
| Capital                                                                           | 1030              | 1647               | 1814            | 1814            | 1814            |
| Reserves                                                                          | 38263             | 57238              | 64297           | 71793           | 85141           |
| Deposits                                                                          | 625351            | 1010875            | 1086409         | 1179219         | 1312367         |
| Borrowings                                                                        | 42762             | 49984              | 46285           | 58090           | 57292           |
| Others                                                                            | 16469             | 33932              | 28174           | 34817           | 34627           |
| <b>Total Liabilities</b>                                                          | <b>723875</b>     | <b>1153676</b>     | <b>1226979</b>  | <b>1345733</b>  | <b>1491241</b>  |
| Investments                                                                       | 176245            | 261690             | 282013          | 319038          | 357454          |
| Advances                                                                          | 432175            | 639049             | 703602          | 830673          | 931613          |
| Other Assets                                                                      | 115455            | 252937             | 241364          | 196022          | 202474          |
| <b>Total Assets</b>                                                               | <b>723875</b>     | <b>1153676</b>     | <b>1226979</b>  | <b>1345733</b>  | <b>1491541</b>  |
| Total CAR (%)                                                                     | 13.65             | 13.18              | 14.9            | 16.68           | 16.28           |
| No. of branches                                                                   | 6329              | 10416              | 9734            | 9706            | 9604            |

Source: Canara Bank Annual Reports

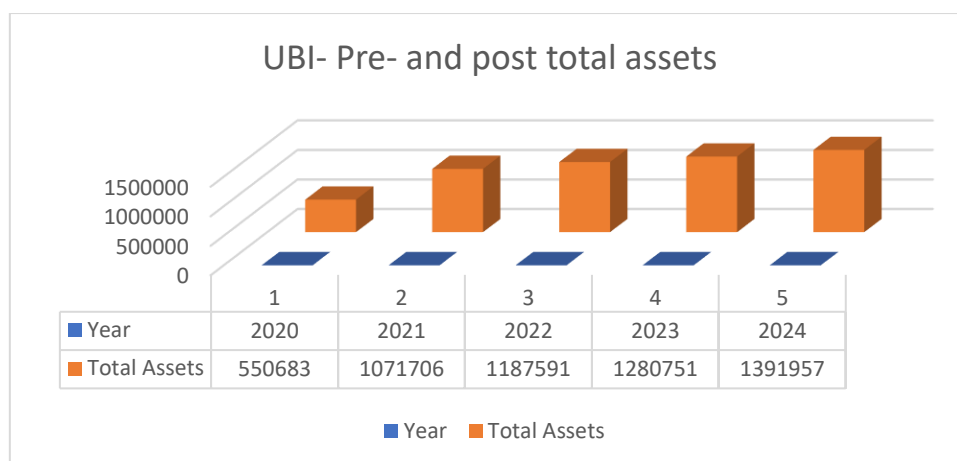


**Figure:4.26. Pre- and post-merger total assets of Canara Bank**

**Table 4.28. Pre- and post-merger financials of Union Bank of India**

| Summary of financials of UBI (Pre-and post-merger) (Rs. in Crore) |               |                |                |                |                |
|-------------------------------------------------------------------|---------------|----------------|----------------|----------------|----------------|
|                                                                   | Pre-merger    | Post-merger    |                |                |                |
|                                                                   | 2019-'20      | 2020-'21       | 2021-'22       | 2022-'23       | 2023-'24       |
| Capital                                                           | 3423          | 6407           | 6835           | 6835           | 7634           |
| Reserves                                                          | 30363         | 58070          | 63741          | 71499          | 89335          |
| Deposits                                                          | 450668        | 923805         | 1032393        | 1117716        | 1221528        |
| Borrowings                                                        | 52486         | 51837          | 51179          | 43137          | 26948          |
| Others                                                            | 13743         | 31587          | 33443          | 41564          | 46512          |
| <b>Total Liabilities</b>                                          | <b>550683</b> | <b>1071706</b> | <b>1187591</b> | <b>1280751</b> | <b>1391957</b> |
| Investments                                                       | 152414        | 331512         | 348507         | 339299         | 337904         |
| Advances                                                          | 315049        | 590983         | 661005         | 761845         | 870776         |
| Other Assets                                                      | 83220         | 149211         | 178079         | 179607         | 183277         |
| <b>Total Assets</b>                                               | <b>550683</b> | <b>1071706</b> | <b>1187591</b> | <b>1280751</b> | <b>1391957</b> |
| Total CAR (%)                                                     | 12.81         | 12.56          | 14.52          | 16.04          | 16.97          |
| No. of branches                                                   | 4284          | 9315           | 8873           | 8577           | 8464           |

Source: Union Bank of India Annual Reports

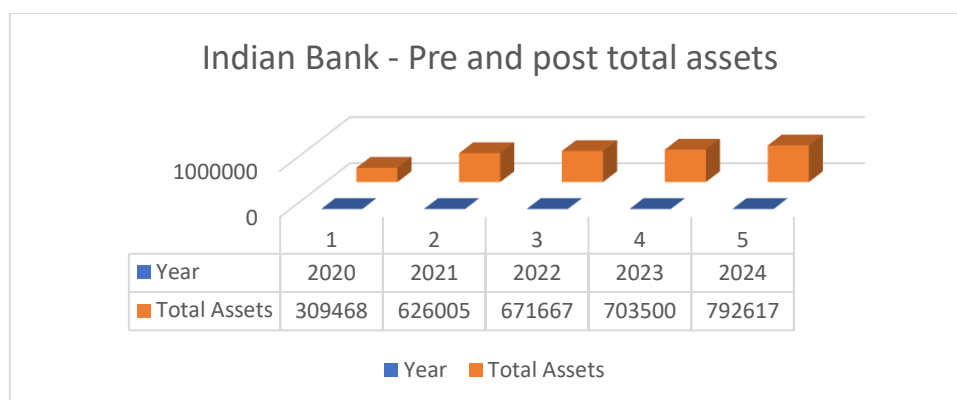


**Figure:4.27 pre-and post-merger total assets of Union Bank of India**

**Table: 4.29 pre-and post-merger financials of Indian Bank**

| <b>Summary of financials of Indian Bank (Pre- and post-merger) (Rs. in Crore)</b> |                    |                    |                 |                 |                 |
|-----------------------------------------------------------------------------------|--------------------|--------------------|-----------------|-----------------|-----------------|
|                                                                                   | <b>Pre -merger</b> | <b>Post merger</b> |                 |                 |                 |
|                                                                                   | <b>2019-'20</b>    | <b>2020-'21</b>    | <b>2021-'22</b> | <b>2022-'23</b> | <b>2023-'24</b> |
| Capital                                                                           | 609                | 1129               | 1245            | 1245            | 1345            |
| Reserves                                                                          | 21480              | 37283              | 42463           | 46727           | 57041           |
| Deposits                                                                          | 260226             | 538071             | 593618          | 621166          | 688000          |
| Borrowings                                                                        | 20830              | 26175              | 17144           | 22073           | 23131           |
| Others                                                                            | 6323               | 23347              | 17197           | 19289           | 23100           |
| <b>Total Liabilities</b>                                                          | <b>309468</b>      | <b>626005</b>      | <b>671667</b>   | <b>710500</b>   | <b>792617</b>   |
| Investments                                                                       | 81242              | 176537             | 174559          | 185988          | 212554          |
| Advances                                                                          | 197887             | 364010             | 389186          | 442297          | 514889          |
| Other Assets                                                                      | 30339              | 85458              | 107922          | 75215           | 65174           |
| <b>Total Assets</b>                                                               | <b>309468</b>      | <b>626005</b>      | <b>671667</b>   | <b>703500</b>   | <b>792617</b>   |
| Total CAR (%)                                                                     | 14.12              | 15.71              | 16.53           | 16.49           | 16.44           |
| No. of branches                                                                   | 2890               | 6007               | 5735            | 5787            | 5851            |

Source: Indian Bank Annual Reports



**Figure:4.28. Pre-and post-merger total assets of Indian Bank**

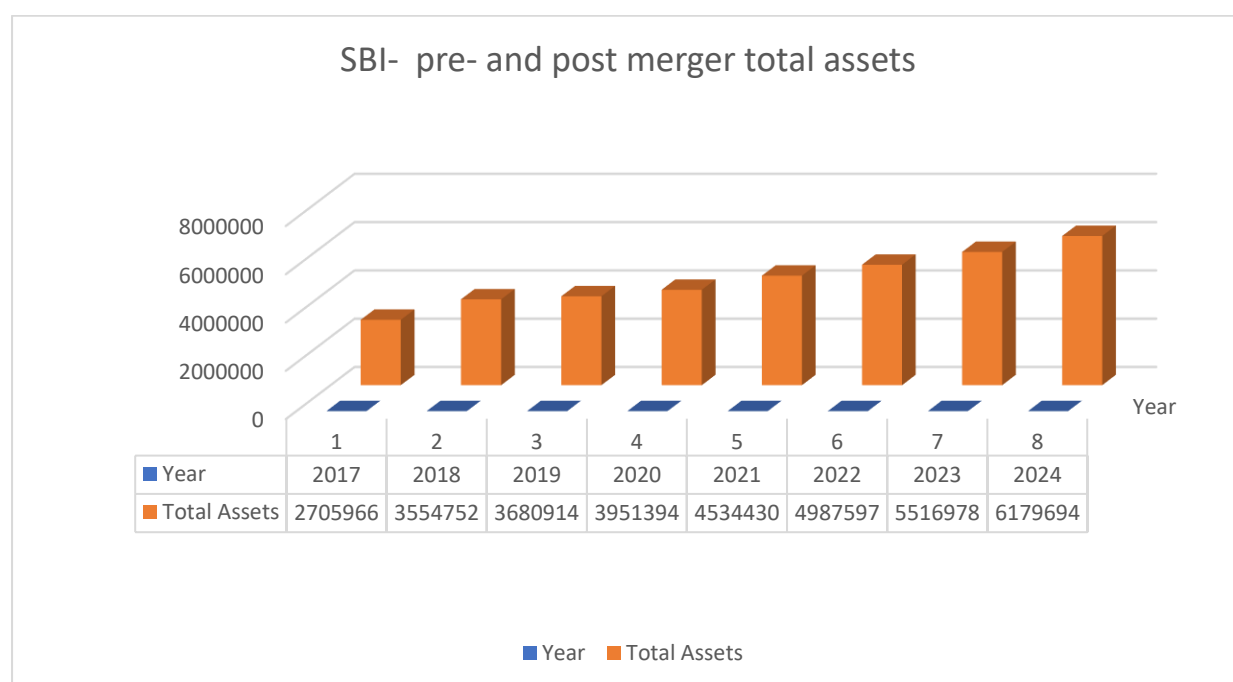
**Table 4.30. Pre- and post-merger financials of State Bank of India**

| Summary of financials of SBI (Pre- and post-merger) ( <i>Rupees in Crore</i> ) |                |                |                |                |                |                |                |                |
|--------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                                                | Pre-merger     | Post-merger    |                |                |                |                |                |                |
|                                                                                | 2016-'17       | 2017-18        | 2018-'19       | 2019-20        | 2020-'21       | 2021-'22       | 2022-'23       | 2023-'24       |
| Capital                                                                        | 797            | 892            | 892            | 892            | 892            | 892            | 892            | 892            |
| Reserves                                                                       | 187489         | 218236         | 220021         | 231115         | 252983         | 279196         | 326716         | 376354         |
| Deposits                                                                       | 2044751        | 2706344        | 2911386        | 3241621        | 3681277        | 4051534        | 4423778        | 4916077        |
| Borrowings                                                                     | 317694         | 362142         | 403017         | 314656         | 417298         | 426043         | 493135         | 597561         |
| Others                                                                         | 155235         | 167138         | 145597         | 163110         | 181980         | 229932         | 272457         | 288810         |
| <b>Total Liabilities</b>                                                       | <b>2705966</b> | <b>3554752</b> | <b>3680914</b> | <b>3951394</b> | <b>4534430</b> | <b>4987597</b> | <b>5516978</b> | <b>6179694</b> |
| Investments                                                                    | 765990         | 1060987        | 967022         | 1046954        | 1351705        | 1481445        | 1570366        | 1671340        |
| Advances                                                                       | 1571078        | 1934880        | 2185877        | 2325290        | 2449498        | 2733967        | 3199269        | 3703971        |
| Other Assets                                                                   | 368898         | 458885         | 528015         | 579150         | 733227         | 772185         | 747343         | 804383         |

|                     |                |                |                |                |                |                |                |                |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total Assets</b> | <b>2705966</b> | <b>3454752</b> | <b>3680914</b> | <b>3951394</b> | <b>4534430</b> | <b>4987597</b> | <b>5516978</b> | <b>6179694</b> |
| Total CAR (%)       | 13.11          | 12.6           | 12.72          | 13.06          | 13.74          | 13.85          | 14.68          | 14.28          |
| No. of branches     | 17365          | 22620          | 22218          | 22374          | 22219          | 22266          | 22405          | 22542          |

Source: SBI Annual Reports

**Figure 4.29. Pre-and post-merger total assets of SBI**



## CHAPTER - 5

### FINDINGS

#### 5.1 Introduction:

The section discusses the types of data used in the study such as surveys, interviews, and reports. The collection of primary data was done for the first time through the administration of the survey on 63 bank customers from both public and private sectors. The demographic profile consisted of factors like age, income level, and employment status of the respondents which could provide better representation of the customer base. The employment of well-designed sampling techniques enabled the reaction to be proportional thus capturing a wide range of clients' reaction as well as the sentiments towards recent changes in the banking industry through mergers and acquisitions. The survey aimed at assessing customers' perception of M&A in relation to customer satisfaction, customer loyalty, and customer's overall satisfaction with the bank.

Furthermore, collected and used data from interviews with banking sector participants to learn the influence of M & A in types of mergers on operation and strategies of different banking groupings. This information proved useful in illustrating how different factors triggered by the mergers and acquisitions, including operational efficiency, improvements, and societal engagement, affected the banking industry. Bank employees expressed views on the dos and don'ts of M&A to banks, with bipartite understanding of how public and private banks respond to such corporate actions. These two methodologies are helpful since a more rounded perspective graph as regards to the immediate and long-term impacts of the M&A on the customer experience and associated organizational strategy is required in consideration than a customer survey or professional feedback alone.

The results of this study, as indicated, will demonstrate how customer perceptions of perceived efficiency, innovation, and social responsibility have been shaped by mergers and acquisitions (M&A) in relation to foreign and domestic banks. The findings will cover cross-country and cross-age differences in customer patterns, which will suggest how M&A changes may not be experienced evenly across different cut-out populations. In addition, this work will seek to explain the wider effects of M&As in the banking sector: their contribution towards boosting institutional image, service diversification, and internationalization opportunities available to a bank. Such findings can serve a great purpose to policymakers, managers, and other

participants of the process in the course of M&As, in a tough and fast paced era of the banking sector.

## **5.2 Qualitative Findings:**

This section presents initial variations and findings on mega banking mergers by shedding light on patterns gleaned from the theoretical thematic analysis of the data collected in interviews with economists and top-level banking executives. These themes are relevant to the research questions and objectives, as they provide a systematic view of the role of the mergers in the nature and structure of the banking industry.

### **5.2.1 Perceptions of Mergers and Acquisitions (M&A) in the Banking Sector:**

The findings of the study indicated that the majority of the stakeholders have a positive attitude toward M&As in the banking sector especially where such mergers are strategic consolidation for the purpose of increasing financial and resource efficiencies and to conform to international best practices. These consolidations have been noted by respondents as critical towards enhancing asset quality and triggering digitalization transformation. But there was an apprehension too regarding their regulatory and political aspects coupled with their effect on the quality of assets and NPAs, improving resource synergies, and aligning with global trends. Respondents highlighted these consolidations as essential for strengthening asset quality and promoting digital transformation. However, concerns were also expressed about regulatory and political dimensions of these mergers, along with the potential negative impacts on asset quality and non-performing assets (NPAs).

### **5.2.2 Personal Experience with M&A:**

Even though certain career workers claimed that they actually got involved with the latest banking mergers, many respondents actually reported low levels of direct requisite experience. The officials with experience mentioned some issues associated with the integration with human resources (HR especially in mega mergers like Syndicate Bank merged with Canara Bank). This theme focuses on the extent of engagement of these professionals in M&A activities and the operating consequences that mergers have on the banking sector.

### **5.2.3 Factors Influencing M&A Decisions:**

Some of the coercive forces that were clear from the information gathered and analyzed were; economic forces, technological forces, global forces and regulatory forces such as government

policies that seek to bolster the solidity of banks. They pointed out that such factors explain the logic of consolidation, the valuation of banks, the approach to merging them. M&A was also alleged as a way of salvaging the shrinking capital base of the weaker banks while at the same time enhancing the strength, diversification and operational efficiency.

#### **5.2.4 Impact of Public Sector Bank (PSB) Mergers on the Industry:**

On the nature and consequences of PSB mergers, the respondents gave mixed opinions. On the one hand, they were seen as helpful in increasing the competitiveness of the PSBs, in raising the service delivered to the clients, and in increasing the qualitative level of the financial services offered. However, there were arguments such as reduced competition, monopolistic behavior and concentration in risks. Also improving resource synergies, and aligning with global trends were also observed. Respondents highlighted these consolidations as essential for strengthening asset quality and promoting digital transformation. However, concerns were also expressed about regulatory and political dimensions of these mergers, along with the potential negative impacts on asset quality and non-performing assets (NPAs).

#### **5.2.5 Government's Role and Benefits in M&A:**

Regulatory perspective of the respondents towards banking mergers was a major theme. They acknowledged that government spending does bring several advantages, for instance, bailing out weaker banks, slicing overages, and building institutions that fulfill the objectives of the economy. Domestic mergers, when facilitated by the government, were considered helpful in building a sense of market security, foreign direct investments, and decreasing dependency on governmental interventions with respect to financial troubles.

#### **5.2.6 Reduction in Government Dependency:**

Mergers were broadly considered ways through which the general dependency of banks on government owned funds was leashed. Respondents also said that with strengthened firm stability, better yet, capital ratios and enhanced profitability, they would be self-sustaining and reduce dependency on government's patronage. Still there were doubts about the possibility to achieve such independence in the future, especially during periods of divestment.

#### **5.2.7 Enhancing International Presence:**

In this case, banking mergers as well as acquisitions especially involving the larger banks were supposed to increase the global positioning of Indian banks due to growth in the market, assets,

and capital. With respect to larger fused banks, world markets and regulations and investments would be easier to attract thus strengthening their presence in the global market.

#### **5.2.8 Capital Formation and Operational Efficiency**

Mergers were perceived as important drivers of capital formation and operational efficiency. Participants pointed out as the major advantages are the widening of the business range, access to new markets, and to greater borrowing possibilities. They also pointed out operational efficiencies – eliminating duplicate functions or minimizing expenses – as the critical synergies that emerged from consolidation that further strengthened the finances of the combined banks.

#### **5.2.9 Impact on Banking Professionals**

The strategic aspect related to the professionals working in the banking industry was projected to be changing largely due to mergers and acquisitions. Examples of improvement included in particular career advancement, adoption of new technologies and better pay. Nonetheless, the findings pointed out that there were fears of job loss, cultural adaptation problems and heavy workloads inflicted on professionals following merger of banks.

#### **5.2.10 Customer Experience and Public Reaction**

Public and customer responses towards the mega bank mergers were on the whole affirmative while moderate responses were more typical of the customers. Improvement of efficiency in service delivery and the introduction of modern technologies were areas where positive feedback came from respondents. The customers lamented on decreased competition for their services, diminished interpersonal contact with the bank's officials, and shutdown of outlets. Customers' feelings were identified as insecurity and anxiety on the issues of future provision of banking services as a result of the mergers.

#### **5.2.11 Challenges Faced by Customers and Banking Professionals:**

The analysis was designed in such a way that both the customers and the banking professionals were expected to deal with considerable trouble, due to mergers or otherwise. It was noted that there were challenges such as changes in rules or policies, and also implementation of new technologies. Though the importance of strong communication and giving basic information to clients for the smooth changeover was affirmed, a good number of those surveyed felt that these areas are still far from where they should be in order to reduce the challenges people face during mergers.

### 5.3 Quantitative Findings:

In this chapter, we present an assessment of the different views held regarding mergers and acquisitions (M & A) in the Banking environment and just how they are being utilized as a quick strategic response mechanism in an ever-dynamic environment. The study includes both public and private banks in order to gain insights into whether and how the outcomes of M & A transactions differ depending on the type of banks involved. These transactions incur a range of costs and benefits to the banks, clients and employees of the banks, hence there is need for all involved in policy and decision making to be aware of such costs and benefits.

The focus of the research is the exchange of concerns that arise in relation to actually taking over parent or joined activities: availability of loans, invention of new products, augmentation of reputational standing, influence on banking specialists, as well as changes of the entire industry. This particular analysis therefore seeks to determine organizational structure and the consequent implications, if any, to M & A as there are different types of banks surveyed. Information gained via the investigation is useful so that both banks and their respective regulators make enhanced knowledgeable approaches towards activities in the banking and financial market.

The next parts of the paper will be focused on survey questions and giving findings of how the type of banks relates to M&A, highlighting some typologies of banks and their position towards M&A. The summary includes what the M&A means, what it involves in bank consolidation with the focus on the emerging trends of M&A in global markets.

In the first phase of data collection study respondents had to state the place of their bank (Table 1). The largest majority (52.4%) of those working at these banks were based in city areas, with 33.3% in metropolitan areas, 7.9% other areas, whilst 6.3% were located in the rural areas. Participants were also queried per their respective age group (Table 2). The largest group representing 47.6 percent fell within 25 – 35 years of age, followed by the 30.2% in 36 – 45 years, and 11.1% in both 46 – 55 and above 55 age brackets.

The survey in addition also stratified the banks by type (Table 3), 58.7% being employed in Public Sector Banks (PSB) and 25.4 percent in Private Sector Banks and 7.9% others. Concerning the level of education (Table 4) about 60.3% respondents possessed a master's degree, 25.4% bachelor's degree and 14.3% professional or technical qualifications.

As regards the duration of service in banking (Table 5), 33.3% of respondents reported working in the industry between 11–20 years, 30.2% for between 5 and 10 years and others less in the other experience categories.

Respondents were also asked whether any organizational reshufflings had taken place, like the merging or acquiring of other banks, in the last five years (Table 7). A whopping 88.9% of respondents claimed such changes occurred. Concerning images of M&A in the banking sector (Table 8), 36.5% were of the mind that the institution that was merged would attract a greater focus from the government, while 31.7% selected “None of the above.” Table 9 presented the question that PSB mergers receive assistance from the government less due to internal and market resources enhancement that results from the mergers. Around 30.2 % said Yes, while 19.0% said no and 28.6% remained neutral. Similarly, Table 10 depicts that a proportional minority, 47.6% of respondents perceived that the scope for capital creation increased internally and externally post the mergers of PSBs, while 19.0% did not concur. Regarding the question on whether the mergers of PSB lead to an above normal high non-tax revenue for the government (Table 11), 30.2% of the respondents agreed, 17.5% disagreed while 39.7 remained neutral. On the aspect of whether the payment and settlement center concentration would be increased due to reduced players in the market, because of the PSB mergers (Table 12), 39.7 of the respondents were affirmative, while 20.6 were rebuttal.

Respondents also asked whether PSB mergers diminish operational risks (Table 13), in which 22.2% agreed, 30.2% disagreed, and 23.8% did not have any opinion on this matter. Finally, Table 14 stated whether PSB mergers assist banks in servicing their undertaking—especially in regard to managing stress assets and NPAs. The results showed that 36.5% of the respondents were in support of the view, while 15.9% were against it, and 20.6% neither agree nor disagree with the statement.

#### **5.4 Hypothesis Testing:**

The results of the hypothesis testing indicate a stronger correlation between the bank type and three of the facets of mergers, acquisitions, and substitutive changes in the structure of organizations in the banking sector. In general, the results show that, as regards to most questions studied in the research, the category of a bank public, private, and so on does not determine in most cases the respondent's opinion or experience. Nevertheless a few exceptions do exist where significant associations were found out.

#### **5.4.1 Organizational Structure and Type of the Bank**

To start with, the crosstabulation of Q. 3 with Q. 7 shows that there is no association with a p-value less than .05. An example of a case where the court must be involved is where there are organizational changes e.g. mergers or acquisitions of the bank; applying structure types such as public or private banks holds no ground hence p-value of 0.03 which means that the return on assets of the restructured institutions is less than one more year since 1996. It is not about the type of the bank. Instead, such circumstances rather seem to be affected by the general developments taking place within the whole banking industry than to the particular type or genre of the bank.

#### **5.4.2 Involvement in Mergers and Acquisitions**

However, there were Chi-square tests performed with respect to the bank type as Q.8 ("What level of involvement did you have in the process of the acquisition or merger?" elicited) which showed p values less than 0.05 indicating thus the relationship is statistically significant. This indicates that the level of involvement in a merger or acquisition process varies significantly by the category of the bank. The public sector banks rather demonstrated a much-better expression of various levels of involvement indicating that employees working in these banks are more likely to be engaged in different phases of mergers or acquisitions as compared to the private sector respondents who mostly had nothing or remote contact with the merger or acquisition process. Such a difference may perhaps account for the different organizational culture and the organizational structure as well where public institutions tend to be more 'thick-skinned' about how things are done, more so with their internal processes that tend to be constantly shifting and facing the need to involve workforce participation.

#### **5.4.3 Assessments of the Mergers and Acquisition**

As concerns perceptions of mergers and acquisitions (Q. 9), chi square tests were done to determine whether there is any dependency between the bank type and the beliefs on common outcomes associated with mergers in the banking sector. With the p value more than 0.05, the results indicate that the respondents, irrespective of their bank type, have almost identical views concerning misconceptions or potential realities surrounding mergers and acquisitions. Such a situation could mean that the general perception stemmed from the practice of mergers within the two, has there more to do with the trends in banking in general than with the specific class of institutions.

#### **5.4.4 Mergers of Public Sector Banks (PSB) And Dependence on The Government for Funding**

Regarding Q. 10 (“Do you agree that PSB mergers lessen reliance on government funding?”) and (Q. 3), it was clear once again that there are no statistically significant association and bi-directional relationships exist between those two questions. So, it implies that opinion on whether mergers among public sector banks would lessen the need for government assistance does not greatly differ with the type of bank. Such inconsistency leads to the situation where it is advantageous to respondent’s regardless of bank category type respondents to apply a congruent option when it comes to understanding the finance and funding system for PSB mergers.

#### **5.4.5 Formation of Additional Capital by Banks after Merger**

Also, for Q. 11 (“Do you agree that it is easier to create additional internal and external capital opportunities after the mergers of PSB?”), no statistically relevant relationship was discovered as to the type of the bank and the related perceptions of capital creation. The response internalizations showed that there was no significant change indicating that irrespective of the type of the bank, the respondents feel whether mergers enhance capital generation. The similarity reinforces that the incorporation of merger dividends does not depend on the specific type of the banking institution in question but rather affects the entire sector.

#### **5.4.6 Operational Risks and PSB Mergers**

However, it can be noted when respondents Q.14 (“Do you agree that PSB mergers decrease operational risks?”) and Q.3 was suggested. A chi-square was found to statistically influence the significant result, towards  $p = 0.031$ . This contributes to the argument that there are differences in the responses of the respondents regarding the effects of PSB mergers on operational risks by the type of bank of the respondents. Public sector bank respondents believed chances are there that these mergers will cut down operational risks whereas respondents from other categories may have had different or more conservative views. The variation perhaps means that there are different operating environments and risk management between ownerships in the case of public sector and private sector banks, with public sector mergers considered to lead to more systemic stability.

#### **5.4.7 Credit Portfolios and NPAs**

In response to Q15 ‘Do you think that PSB mergers can assist in the management of credit portfolio with all attributes, especially the NPAs?’, chi-square test results that you have presented do not seem to expose such relationships, with a p-value of 0.280. Stated in another way, the authors find no difference in opinion regarding the effectiveness of PSB mergers in managing credit and NPAs irrespective of the banking category. The employees of public sector banks and private sector banks do not consider the management of credit risk issues differently is not surprising and in fact could be depressing, as it suggests that there are common problems in the industry.

#### **5.4.8 Global Competitiveness and Mergers**

For Q. 16 what you have explored in regard to the question whether the merger of the public sector banks shall prepare the banks for the global competition was answered with no statistically significant value, with a p-value of .224. Certain evidence points out that regardless of the type of the bank the respondents predict similar consolidation trends on them. Homogeneity in responses to the categories may imply a level of understanding that global competition is determined by external factors rather than the competitive landscape of public sector banks internally.

#### **5.4.9 Professional Standards in the Context of Bank Mergers**

As regards the improvement of professional standards after conducting PSB mergers (Q. 17), the results revealed no dependence on the level of professional development reported by respondents on the category of the bank. In particular, such a lack of association means that regardless of the categories of the banks, employees believe that there is an increase in professional standards after a merger. Probably, this points at the common platform of professionalism within the whole industry.

#### **5.4.10 Merger and its impact on Banking Professionals**

In Q. 25, an important correlation was established where negative impacts of the mergers on the banking profession were perceived differently by different types of respondents. In particular, Public Sector Bank respondents were more likely to believe that merger activity is negative for professionals (54.1%) than when only 25% of Private Sector Bank respondents held that opinion. Pearson's Chi square 21.348 ( $p = 0.006$ ) provides for a very statistically powerful feeling and points to the fact that employees of public sector banks experience or

perceive more radical changes after a merger than their private sector counterparts. This is probably more attributable to the nature of public banks where due to the size, restructuring will cause job loss, change in functions, or excess work.

#### **5.4.11 Customer Ratings and New Prospects**

In other assessments, such as those concerning well-functioning customer satisfaction (Q. 24), new professional perspectives (Q. 27), and work overload due to way consolidation (Q. 28), no significant dependencies were found out according to the types of banks. This points out that the respondents have a similar level of agreement on these subjects regardless of the category of their bank. For example, although a small number of respondents agreed that mergers enhance the service to the customer or create new areas of learning, there were no clear differences across regions of the respondents on this issue.

#### **5.4.12 Banking Routine and Product Quality**

As for the correlation between whether bank mergers affect the routine banking for the average customer (Q. 29) and whether customers believe that as a result of mergers there will be more a quality of products and services (Q. 30), there was also no correlation and p-values remained well over 0.05. The fact remains constant that all the respondents from each category of the banks had the same experiences and beliefs concerning the day-to-day influence of the mergers on the quality of the banking products.

Although many domains of analysis established that there was no correlation between the type of bank and opinion on mergers, acquisitions, or change of organization, except for two issues: employee involvement in mergers (question 8) and the negative consequences of merger for the banking community (question 25). In terms of the involvement of employees in the merger, social sector banks appear to use their staff more in the processes than management in the private sector banks whereas employees seem to consider such transformations less detrimental. It seems different banks have different ideas running through the findings. Lastly, structural change to financial institutions has brought good or bad years for ex-state-owned banks that were converted into joint-stock companies; achievements and failures can be happily mixed up here as you wish them to turn out.

## CHAPTER 6

### DISCUSSION ON FINDINGS

#### 6.1 Summary of Findings:

The last chapter was highly analytical concerning the consequences of M & A in the banking industry, which was backed up by actual data as well as literature such as the surveys, reports, and interviews that were employed in the research. This is the first data collecting activity initiated by primary researchers and includes a questionnaire to a sample of bank customers from public and private institutions, in age, employment and income level broad profile. This diversity allowed appropriate and relevant evaluation of how customers felt about the recent mergers and acquisition activities in the industry. These studies indicate a convergence in findings, revealing that customers' perceptions of satisfaction, loyalty, and overall experience with their banks shifted following the M&A process. This change was primarily attributed to improvements in operational efficiency, service innovation, and corporate social responsibility initiatives.

In similar fashion, interviews with employees and members of the sector provided important information about the internal effects of the M & As on operational strategies and living in different architectures, different banking groupings. Apart from operational improvements, the interviews identified some social strategy implementation challenges during M & As. The banking specialists answered that in many aspects public and private banks stand on the completely opposite sides, which gave a more complete picture of short- and long-term results of M & As for the clients as well as employees.

The findings of the study highlight how different M & As have differing effects on customers belonging to different demographics and geographies with great variation in experiences across countries and ages. In addition, the results shed light on the wider consequences of M&A, especially in the context of the positive effects on institutional reputation, service diversification, and the international expansion possibilities for banks provided by M&A. Such understanding is important for civil society, bankers, regulators and other participants regarding the significance of M & As for the future of banking industry development emphasizing global orientation, market scope, infrastructure requirements, and consolidation advantages for state, professionals, and customers.

## 6.2 Interpretation of Results:

The research findings were quite encouraging across the stakeholders regarding the issues of M&As, especially if strategic balkanizations are considered, with emphasis on best fitting their financial objectives and international standards. The participants commented on these balkanizations as vital in enhancing asset value and promoting digitization. Keeping with Marin and Sascha (2007) and Sengar et al. (2021), the response is consistent with the proposition that

M & A brings efficiencies and improves its performance at a global level. Nonetheless, some fears were voiced about regulatory hurdles and risks resulting in erosion in asset quality and non-performing assets (NPA), which supports the work of Madray and Kamal (2020) who showed softer factors within organizations limiting change when two firms combine. Some of the specialists had a practical perspective on the current trends of cooperation in the field of banking and had certain experience in the recent mergers in the banking sector, while many specialists spoke of very little direct participation. Those who had experience pointed out treatment of people as integration barriers, similar to Joshi and Goyal (2012), that integrating different organizational cultures is quite a challenge during mergers. The analysis brought out economic, technological and policy pressures as very strong factors behind M&A activities. Mergers and acquisitions were seen as techniques of saving weak banks, while making them more solid and effective, as Narasamamba (2019) notes, which renders most of the bank's insolvent, is the purpose of the mergers.

Respondents held contradicting views on the mergers of public sector banks (PSBs), and accepted them as useful in terms of enhancing competitive features and improved service but also pointing out that there could be issues of competition, focusing on monopolistic practices concerns. This reflects Reddy and Chandra's (2020) findings regarding the possible dangers of monopolistic tendencies within the banking sector after mergers. It was noted by the parties concerned that there was a need to carry out mergers to serve the purpose of rescuing weak banks and protecting the integrity of the market. This goes along with the views of Agarwal (2017) on the customer, reducing dependency on government's public funds through M&As. The study found that M&As can help to improve the international operations of Indian banks and enhance operational efficiencies by eliminating duplication. This is consistent with data from Pareek, 2021 which noted that implementing mergers may improve the capital adequacy but it is nonperforming assets NPAs that tend to constrain profit. The findings indicated the

prospect for progress among bankers, even as there were concerns over job cuts as well as cultural integration challenges.

"Relatedly, it was observed that customer responses to mega mergers were generally positive in terms of service efficiency, however consumers were concerned about the decreasing competition and anxious about future service availability, which echoes findings by Agarwal (2017) and Saardchom (2018). Through the study, major discomforts concerning these mergers were found among both customers and professionals, whose responsibility during mergers involves inter alia, a communication and support system which is consistent with the literature that indicates the need for the effective management of change (Kaur, 2013; Banerjee, 2017)."

This study explores the attitude of different sectors with regard to mergers and acquisitions (M&A) of institutions which are cantered on the banking industry while considering them as appropriate tactics to incorporate in a constantly changing environment. The study compares outcomes of M&A among public and private banks in a bid to establish what makes such differences in scope. Most interesting, the statistics show that approximately 88.9 percent of the respondents were able to identify organizational mergers and changes for the last five years. In accordance with literature that indicates M&A is associated with rapid expansion, improvement efficiency, and global competition (Goyal & Joshi, 2012; Sengar et al., 2021). It goes ahead however and states some disadvantages such as change management issues and additional systemic risk as explained by Prajeesh and Kavitha (2020). But the research also pinpointed some important themes regarding M&A: the accessibility of loans, the introduction of innovative products, and the enhancement of an institution's image. As an example, 36.5% of the respondents indicated that merged institutions would attract more government attention, highlighting the perceived advantages of consolidation with regard to regulation.

This view is echoed by Gupta (2015), who said that performance after merger activities tends to lead to improvement, but here also there exists a consensus that the gains from mergers differ widely between voluntary and forced ones (Kumara et al., 2019). Majority of the participants were also urban educated having achieved at least a master degree 60.3%, which suggests the population is highly educated enough to take part in mind boggling M&A transactions. This is consistent with the argument that middle level employees such as banking professionals with higher education levels are in the best position to ensure success in a range of merger activities (Kaur, 2013). Their self-conflicting understanding of operational risk and capital creation after merger with 22.2% of the viewpoint that reduction of operational risk must be sensitively

handled. The findings also resonate with the literature on geographical effects of M&As in the banking sector. For instance, while mergers help improve competitive strength and lower the cost (David, 2010; Adeyemi, 2016), they may also leave out districts and create fears of job loss (Agarwal, 2017). Respondents' mixed feelings on public sector bank (PSB) mergers benefiting operational risks and non-tax revenue point to the relative ambivalence of the industry toward these transactions.

The research results reveal a more complex relationship with respect to bank type and organizational changes such as mergers and acquisitions. However, there were some noticeable exceptions even if respondents' answers to textual parts of the survey were not affected depending on the type of bank in question. The great majority of respondents expressed similar and not too significant opinions in regard to specific banks, however, there were some p-values equal to 0.03 which can be statistically referred to as  $p < 0.05$ . This analysis fits into the existing discussion since the structure-performance relationship is often affected through other forces such as the industry that is being operated within (Madray & Kamal, 2020).

The research proved advanced statistical association existed between the type of bank and the extent to which employees participated in the merger and acquisition activity ( $p$  less than 0.05). It was observed that the employees of public sector banks were relatively more active in merger undertakings, indicating a different culture oriented towards employee involvement. This is supported by Goyal & Joshi (2012) who argue that there is a need for employee participation in order to achieve success after a merger. The level of involvement in decisions related to mergers and acquisitions is therefore different as it can be expected with public sector organizations which tend to be more centralized and more or less control oriented.

Considering action research suggests how HRM can contribute to public service, public organizations of such kind can be expected to leave enough freedom for their employees and to promote autonomy. HR managers envisaged that a move towards bilateral mergers where the parties' power relations remain more balanced than in unilateral mergers would alleviate some of the problems. These mechanisms may be active in the realization of the factors that involve mergers in the post-merger phase and it is suggested for further recognition of scholars.

There was no notable link between the bank type and respondents' perceptions towards mergers and acquisitions within the findings of the chi-square test for independent variables, with a  $p$  level of more than 0.05. This homogeneity makes it plausible that public perception regarding the mergers could be influenced by overall sector aspects rather than the individual banks

which are hosting the merger. The results corroborate views made by previous studies that emphasize the barriers to effective mergers and the myths associated with them regardless of the type of bank (Narasamamba, 2019). It is also significant that there were no variables that demonstrated a statistically significant relationship on the influence of mergers either on the operational risk, credit portfolios or even in global competitiveness. It simply depicts that the employees including those from different bank types have uniform discussions on the relation of mergers and operational risks, credit portfolios, and global competitiveness. What stands out is the result that those working within the public sector are more positive about the likelihood of mergers decreasing risk operating while those in the private sector do take a more pessimistic stand. This is, however, striking as it suggests different risk management practices between public banks and their counterparts in the private sector and pointing that merger in the public sector increase stability in the system as per concerns made by Agarwal (2017).

In the case of the merger by the bank employees, differences were found in its negative consequences as perceived by different types of banks, being stronger among public sector workers. This is an important finding since it indicates that employees in public sector banks which are larger and likely to experience more radical changes than their private sector counterparts experience a higher level of fear of loss of employment and professional space than even those working in private sector banks. On the other hand, synergies do not correlate with customer satisfaction or product quality post mergers, suggesting that images of mergers in this respect are common to several types of banks in that it will not change the way customers interact with the bank on a daily basis – a position often advanced in debates over the post-merger customer experience (Kaur, 2013). These findings confirm and build upon existing studies of bifurcation of views in the case of bank mergers in the Indian market and beyond where both positive and negative views are documented. Effectively, mergers give rise to greater efficiency and competitiveness (Gupta, 2015; Nirmala & Padmanaba, 2017), but they also come with integration and systems delivery issues (Joshi & Goyal, 2012). Statistically significant results in specific areas may indeed exist but are widely distributed thus, calling into question many of the claimed benefits of mergers such as better services for customers and enhancement of professional standards across the board in most banks.

## **6.3 Implications for Stakeholders**

### **6.3.1 For Policymakers**

First, the research into post-merger integration processes in the banking industry gives insight into some gaps that policymakers need to close in order to increase the stability of the market and the satisfaction of clients. In preparation of Acts regarding M&As, it is critical that regulators take into consideration the views of all stakeholders- the customers of the banks, the workers and the people in the sector. The fact that strategic consolidations have been well received, suggests that M&As are a source of operational efficiencies, service development as well as an improvement of the standing of the banks in the world when properly executed. Yet, stakeholders canvassed in this study had ambivalent views on the issues of monopolistic tendencies and reduced rivalry which call for policies that control the competition and protect the consumers. If such issues are adequately tackled, strategies will be implemented to ensure that M&As do not create more problems than solutions in the case of the banking sector and that certain benefits accrue to the customers as well as the economy.

Further, as noted in the model and practice section of the current article, greater attention must be paid during M&A to organizational change management as it proved rather troublesome in such areas as cultural integration or employee mobility. Future jurisdictions should stress the necessity for open channels of communication and support mechanisms in order to deal with the issue of staff concerns with regard to service delivery in such transitional periods. Moreover, the research reveals variation in views depending on the type of bank held with respect to employees' participation in the processes of M&As and the effects of such activities, which points to the need for differentiation for public versus private banking. Policymakers stand to achieve the best outcomes from M&As if they align all relevant parties i.e. regulatory agencies, financial institutions and other participants so as to construct a framework that will be able to harness the opportunities brought forth by M&As while avoiding the threats they pose, thus managing the changing face of the banking industry.

### **6.3.2 For Industry/Professionals**

The study comes out with some important implications for professionals in the banking industry, especially with respect to M&As. The optimistic attitude towards M&As, especially those that are perceived as strategic consolidations for the purpose of becoming operationally efficient and integrating with global best practices, indicates that there is a need for banking professionals to be part of these activities. It also points out the necessity of considering the

role of the employees in M&A activity, building up specifically on the factors of the architecture of public banks. As such professionals help people to manage transitions, they have to ensure that people management and communication when it comes to managing changes are done well enough to lessen people's integration problems and enhance people's integration with the employees. The observations regarding client perceptions of satisfaction, loyalty and service delivery underscore the necessity for concentration on customers and bettering their experience during M&As in the banking sector, not just implementing changes for the sake of it.

Furthermore, the research shows how M&As affect specific populations, sectors and regions and the importance of the utilization of various strategies by banking practitioners to address varied market demands. Professionals should particularly note the debates surrounding the mergers of public sector banks and arguments about diminished competition and monopolization. This suggests a middle of the road multipronged approach for instance in arguments which allow for consolidation advantages while being alive to consolidation disadvantages. Moreover M&A professionals understand the reasons brought about by the economic, technological as well as political and legal conditions which shaped the decisions making. Finally, the purposes which are to be achieved through the substantive findings of this research can help directors and managers of banks to develop business strategies, modify the nature and quality of provided services, and make organizations socially responsible in the circumstances of the changing environment of the modern banking industry.

### **6.3.3 For the Public/Other Stakeholders:**

The results of the analysis of mergers and acquisitions (M&A) in the banking sector are of great importance for a variety of stakeholders, in particular the public or the consumers. Based on the analysis of bank clients surveyed, satisfaction, loyalty, and overall banking experience, were found to be highly attributed to specific M&A activities, including, operational efficiencies, service innovations, corporate responsibility practices among others. Customers expressed general favourable views on the strategic consolidations that were geared towards cost benefit efficiency improvements saying it was necessary for making better assets and for fast-tracking digital transformation. However, the expected rise in competition failed to materialize, with some respondents expressing fears of monopolistic tendencies especially in the case of public sector bank (PSB) mergers, risking lower dynamism in the market. The study demonstrated the varying effects of M&As with regards to demographic and geographical

differences urging banks to enhance their communication and support mechanisms with the client during equity transitions to allay their fears on the nature of future services.

As for the other beneficiaries, such as regulatory bodies and bank staff, it is expected that they will benefit from a better understanding of the most recent M&A trends in the banking sector. Increasing the global scope, gaining more operational efficiency, and provision of additional services that may improve the institutional image of banks and hopefully diversify bank services are some of the implications of M&A. There are, however, positive and negative public attitudes towards public sector mergers, which imply that these thoughts not only have the potential to strengthen the health of the banking system, but also introduce workplace instability and difficulties in employee cultural assimilation. Moreover, stakeholders accepted that the State has a purpose in aiding such mergers as a means of supporting weaker banks as part of the broader context of trying to make the market safer. As a conclusion, the study stresses political aspects and identifies dangerous tendencies in regard to the M&A process where current customers are not given benefits in deserved consideration.

#### **6.4 Addressing the Research Gap**

Most of the studies related to merger of banks were to find out the effect of merger on financial performance and strength, change in customer base and services, employee satisfaction etc. Deep research on international presence of banks after its consolidation is not yet done.

Consolidation of ten PSBs in to four major banks was effected on April 01, 2019 with an aim to strengthen the international presence of Indian banks. No research work on its contribution is done so far.

Though there is a wide range of literature in the field of mergers and acquisitions (M&A) in the banking sector, there is still a lack of order in the context of understanding full effects of such actions on other actors, particularly customers and employees. Other studies have mainly examined the financial, the efficiency, and the political aspects of the M&A processes while rather dulling the voices of the participants of these processes. Still, in line with the existing studies, they have not focused on how M&A events affect the customers' understanding of, feeling towards and being loyal to the company in relation to its different services in diversity.

Also, there is a scarcity of research on the viewpoints of the managers, who are engaged in the practical processes of dealing with M&As. Often, existing literature takes for granted the internal processes and conflicts occurring among employees in these reorganizations, such as concerns of organizational culture, employee change, or job security. Hence this calls for

research that goes beyond simply measuring the success of M&As based on purely financial results. This article attempts to overcome these limitations by exploring how M&As directly affect customer and employee experiences, identifying international presence of Indian banks after merger, thus suggesting new research directions and paving the way for further research that takes these crucial aspects into consideration.

## 6.4 Summary of objective wise results and conclusions

### 6.4.1 Objective 1: To analyse mega banking mergers and global position of Indian banks

**Table 6.1 Improvement in international ranking of merged banks**

| <b>Bank</b>         | <b>Global ranking by assets (Pre-merger)</b> | <b>Global ranking by assets (post-merger) 2023</b> | <b>Change</b>                              |
|---------------------|----------------------------------------------|----------------------------------------------------|--------------------------------------------|
| SBI                 | 55                                           | 45                                                 | +10                                        |
| PNB                 | Not in top 100                               | 94                                                 | New entry to the elite league of top 100   |
| Canara Bank         | Not in top 100                               | 98                                                 | New entry to the elite league of top 100   |
| Union Bank of India | Not in top 100                               | 105                                                | About to enter the elite league of top 100 |
| Indian Bank         | Not in top 150                               | 142                                                | Substantial improvement                    |

- The study found that mergers helped to improve the international operations of Indian banks and enhance operational efficiencies by eliminating duplication.
- Mega banking-mergers have transformed the international presence and competitive position of major Indian banks viz. State Bank of India (SBI), Punjab National Bank

(PNB), Canara Bank, Union Bank of India, and Indian Bank. Through strategic consolidation, these banks have strengthened their capital base, expanded their global footprint, and enhanced their service capabilities in international markets.

- Mega merger aims to create stronger, more resilient financial institutions capable of competing on the global stage.
- As of 2020, before the major consolidation wave, no Indian bank ranked among the global top 50 banks by assets. The largest Indian bank, State Bank of India (SBI), ranked 55th globally with assets of approximately \$640 billion

#### **Post merger position of Punjab National Bank**

- Expanded international presence from 6 to 10 countries
- Increased international branches from 10 to 14
- Strengthened operations in Hong Kong, Dubai, and UK
- Improved capabilities to handle large international transactions
- Enhanced remittance services for Non-Resident Indians (NRIs)
- International business contribution increased from 5.5% to 8.1% of total business
- International assets grew from \$6 billion pre-merger to \$12 billion by 2023

#### **Post merger position of Canara Bank**

- Consolidated international presence across 9 countries
- Expanded from 9 to 12 international branches and offices
- Strengthened operations particularly in MENA region and Southeast Asia
- International business contribution increased from 4.2% to 6.5%
- Enhanced capabilities in trade finance and cross-border remittances
- International assets doubled from \$4 billion to \$8 billion by 2023
- Achieved better economies of scale in international operations

#### **Post merger position of Union Bank of India**

- International presence expanded to 4 countries (from 3 pre-merger)
- International branches increased from 4 to 7
- International assets grew from \$2.5 billion to \$5.8 billion by 2023
- International business contribution increased from 3.1% to 5.4%

- Developed specialized NRI banking services post-merger
- Enhanced foreign exchange business capabilities
- Improved correspondent banking relationships from 289 to 450 banks globally

#### **Post merger position of Indian Bank**

- International presence maintained at 3 countries
- Rationalized international operations to focus on profitable geographies
- International branches increased from 3 to 5
- International assets grew from \$1.2 billion to \$2.9 billion by 2023
- International business contribution increased from 2.1% to 3.8%
- Developed enhanced remittance platform for NRI customers

#### **Post merger position of State Bank of India**

- Expanded SBI's international network to 233 offices in 32 countries
- Strengthened SBI's position in key international markets including the US, UK, Singapore, and Middle East
- Enhanced the bank's ability to serve large Indian corporates with global operations
- Increased SBI's international assets from approximately \$30 billion to \$62 billion by 2023
- Boosted international revenue contribution from 11.2% to 19.8%
- Improved SBI's global ranking from 55th to 45th largest bank by assets

#### 6.4.2 Objective 2: To evaluate the role of mega banking-mergers on banks'

international presence in terms of market size

**Table 6.2. Increase in international assets of merged banks**

| <b>Bank</b> | <b>Pre-merger<br/>international<br/>assets (Amount in<br/>USD billion)</b> | <b>Post-merger<br/>international<br/>assets (Amount in<br/>USD billion)</b> | <b>Growth (%)</b> |
|-------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------|
| SBI         | 30                                                                         | 62                                                                          | 106%              |
| PNB         | 6                                                                          | 12                                                                          | 100%              |
| Canara      | 4                                                                          | 8                                                                           | 100%              |
| UBI         | 2.5                                                                        | 5.8                                                                         | 132               |
| Indian Bank | 1.2                                                                        | 2.9                                                                         | 142               |

**Table 6.3 International branch network of merged banks**

| <b>Region</b>     | <b>SBI</b> | <b>PNB</b> | <b>Canara<br/>Bank</b> | <b>UBI</b> | <b>Indian<br/>Bank</b> |
|-------------------|------------|------------|------------------------|------------|------------------------|
| North America     | 3          | 1          | 1                      | 0          | 0                      |
| Europe            | 11         | 2          | 2                      | 1          | 1                      |
| Middle East       | 18         | 3          | 3                      | 3          | 2                      |
| South East Asia   | 16         | 2          | 2                      | 2          | 1                      |
| Africa            | 6          | 0          | 1                      | 0          | 0                      |
| Australia/Pacific | 2          | 1          | 0                      | 0          | 0                      |
| Other Regions     | 5          | 1          | 1                      | 1          | 1                      |
| Total Countries   | 32         | 10         | 9                      | 4          | 3                      |

Post merger, SBI, PNB and Canara Bank has shown remarkable advancement in international asset growth, business contribution and showcasing their presence in new international locations. Union Bank and Indian Bank are yet to show sizable improvement in market size.

**6.4.3 Objective 3: To examine the effect of mega banking-mergers on banks' international presence in terms of growth and expansion**

**Table 6.4 Improvement in international Trade Finance business of merged banks**

| <b>Bank</b> | <b>Pre-merger annual Trade Finance Volume<br/>(Amount in USD Billion)</b> | <b>Post-merger annual Trade Finance Volume<br/>(Amount in USD Billion)</b> | <b>Growth (%)</b> |
|-------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------|
| SBI         | 41.3                                                                      | 86.5                                                                       | 109.4             |
| PNB         | 12.5                                                                      | 23.8                                                                       | 90.4              |
| Canara Bank | 10.2                                                                      | 19.5                                                                       | 91.2              |
| UBI         | 8.7                                                                       | 17.2                                                                       | 97.7              |
| Indian Bank | 5.3                                                                       | 11.8                                                                       | 122.6             |

**Table 6.5 Improvement in international business contribution of merged banks**

| <b>Bank</b> | <b>Pre-merger annual international business (% of total)</b> | <b>Post-merger annual international business (% of total)</b> | <b>Change in PP</b> |
|-------------|--------------------------------------------------------------|---------------------------------------------------------------|---------------------|
| SBI         | 11.2%                                                        | 19.8%                                                         | 8.6 PP              |
| PNB         | 5.5%                                                         | 8.1%                                                          | 2.6 PP              |
| Canara Bank | 4.2%                                                         | 6.5%                                                          | 2.3 PP              |
| UBI         | 3.1%                                                         | 5.4%                                                          | 2.3 PP              |
| Indian Bank | 2.1%                                                         | 3.8%                                                          | 1.7 PP              |

**Table 6.6 Improvement in Capital Adequacy Ratio of merged banks**

| <b>Bank</b> | <b>Pre-merger capital adequacy ratio (%)</b> | <b>Post merger capital adequacy ratio (%)</b> |
|-------------|----------------------------------------------|-----------------------------------------------|
| SBI         | 13.12%                                       | 14.98%                                        |
| PNB         | 10.12%                                       | 14.50%                                        |
| Canara Bank | 11.90%                                       | 15.28%                                        |
| UBI         | 11.78%                                       | 14.42%                                        |
| Indian Bank | 13.21%                                       | 16.53%                                        |

Banking mergers especially involving the larger banks were supposed to increase the global positioning of Indian banks due to growth in the market, assets, and capital.

With respect to larger merged banks, world markets and regulations and investments would be easier to attract thus strengthening their presence in the global market.

Through mega mergers, Indian banks have strengthened their capital base, expanded their global footprint, and enhanced their service capabilities in international markets.

#### **6.4.4 Objective 4: To investigate the impact of mega banking mergers on banks' international presence in terms of infrastructural needs.**

**Table 6.7 Reduction in domestic branches of merged banks**

| <b>Bank</b> | <b>No. of branches- pre-merger</b> | <b>No. of branches- post-merger</b> | <b>Reduction of branches – post merger</b> | <b>% of reduction of branches – post merger</b> |
|-------------|------------------------------------|-------------------------------------|--------------------------------------------|-------------------------------------------------|
| PNB         | 10769                              | 10098                               | 671                                        | 6.23                                            |
| Canara Bank | 10416                              | 9734                                | 682                                        | 6.54                                            |
| UBI         | 9315                               | 8873                                | 442                                        | 4.75                                            |
| Indian Bank | 6007                               | 5735                                | 272                                        | 4.53                                            |

**Table 6.8 Increase in investment in technology towards international operations**

| <b>Bank</b>         | <b>Total Investment in Technology</b> | <b>Percentage of investment in technology towards international operations</b> |
|---------------------|---------------------------------------|--------------------------------------------------------------------------------|
| SBI                 | 48.2 billion                          | 25%                                                                            |
| PNB                 | 20.1 billion                          | 18%                                                                            |
| Canara Bank         | 17.5 billion                          | 15%                                                                            |
| Union Bank of India | 15.3 billion                          | 12%                                                                            |
| Indian Bank         | 11.8 billion                          | 10%                                                                            |

Post merger, banks have reduced the number of branches by closing duplicate branches in each place whereas higher percentage of technology investment is made for international operations.

**6.4.5. Objective 5: To determine how consolidation of banks is useful for the Government, the banking professionals, and the common man.**

Dependency of Government funding is reduced. Banking professionals are benefitted by adoption of new technology in banking operations and their fastest professional growth. Common man is benefitted by getting more products services and better customer service due to advanced technology

## **CHAPTER 7**

### **CONCLUSION**

#### **7.1 Summary**

The study was designed to analyze the effect of mergers and acquisitions (M&A) in the banking industry concerning the internationalization of Indian banks in the post-consolidated era. In this regard, both primary and secondary data were collected including a survey of bank executives from various backgrounds as well as qualitative data from industry professionals. The results showed that customer satisfaction, loyalty and overall experience are greatly influenced by the M&A process and operational efficiency, service innovation and corporate social responsibility emerged as important determinants.

Responses to this question revealed the employment practices prevailing in those banks, as well as differences in the strategies deployed by M&As and the implications of these differences on customer experience and employee commitment. Of the respondents, while general views towards M&As were positive and benefits with better financial performance and practice where local and global standards converge, respondents also mentioned challenges concerning regulatory policies and M&A and a possibility that competition may become red.

The analysis revealed that a significant number of the respondents, at 88.9%, reported that mergers led to changes in the organization, and education was one of the demographic factors that investors considered when assessing M&A results. Different trends were noted in the involvement of employees in mergers amongst private and public sectors, and public sector's employees reported greater levels of involvement. Additionally, the study did stress the need for proper change management in the event of M&A and the importance of communication and support in such scenarios.

The research achieved its goals by cognizance given in the impact assessment of mega banking mergers on global operations picture of Indian banks. It pinpointed specific areas which M&As augment the firm's operational efficiency and their market potential and appreciation of the constraints and drawbacks. The results are beneficial to politicians, policymakers, and banking operations professionals as well as market participants about the relevance of M&As in determining the banking evolution. The research also argues for the need to examine the international activities of banks after mergers, especially following the trend of such recent significant consolidation.

## **7.2 Practical Recommendations for a Successful Merger**

Implementing appropriate strategies in the banking sector will allow Mergers and Acquisitions (M&A) to yield more tangible results. Top decision-makers ought to clearly explain all employees the meaning of the merger and utilize through appropriate important marketing communication measures. Trust can be nurtured and apprehensions alleviated by clear messaging, which will facilitate the changeover. Apart from this, customer involvement in customer-focused integration will minimize customer experience destruction during the merger. Continuous communication and presentations will increase the acceptance of employees to such issues as training, and change in general, in most cases however, excluding public sector banks where the once scan policy does not apply. Change management teams should be formed at all levels of integration as they are critical to the integration process while training is necessary to enable the adjusting of employees to the new processes and culture that will emerge after the merger.

In addition, banks ought to ensure strict monitoring of compliance with both internal and external regulations. Application of technology in a bid to increase efficiency will enhance the processes and customer support whereas encouraging adoption of corporate social responsibility (CSR) programs can help build a good relationship with the communities and boost the image of the institution. Finally, promoting the importance of the longitudinal studies so that the competitive landscape will be permanently addressing one of the most common problems in M&As. With these practical suggestions in mind, banking professionals should be able to manage M&As more efficiently while positioning their institutions for the future.

## **7.3 Limitations of the Study**

In this study, several limitations were met and these could have some effects on the results and their applicability. First, about the sample size of 63 bank officials surveyed, and 50 bank executives interviewed, a wide demographic profile was achieved. However, this was not large enough to represent the entire employee base of the banks under review, which is involved in mergers. Bank employee geography and income segregation types could have influenced the way they perceive them thereby having an incomplete picture on their mind across their geographies and income levels. The desire to focus on urban respondents, who are perceived to have higher educational levels, would further affect the results with respect to the applicability of the findings.

The importance of self-reporting also creates limitations because of social desirability bias. For example, individuals surveyed may have inclined toward favorable answers when expressing their feelings towards their banks. However, the approach taken by the study was relatively all-encompassing except for the fact that, none of the researches made on customers satisfaction on merger and acquisition practices included a longitudinal study design. This design would have offered great insight into the circumstances of merging the businesses with any changes in consumer satisfaction and efficiency over time. Also, the fact is worth noted that this study focused on Indian banks solely which may confine the findings of the study to domestic applications as it is known that different countries and regions have different banking habits as well as expectations from the customers. Such gaps indicate that there is room for further studies especially considering the changing faces and economic and political contexts assuming a particular stage in the life of M & As in the banking sector.

#### **7.4 Directions for Future Research**

In future research on mergers and acquisitions (M&A) particularly in the banking sector, there are several areas that need to be tackled to improve the understanding and the theoretical gaps identified. One important direction suggested is that long term studies capture the consequences of M&As on customer and employee satisfaction as well as operational efficiencies & effectiveness. In such studies, it would be possible to look back, how attitudes towards customers and employees changed. Also, how the changes in servicing and institution's efficiency were achieved in the aftermath of the merger.

Further, the study should pay attention to post-merger international operations of banks because of recent consolidation of some public sector banks in India. Perhaps a more detailed look at the impact of these mergers on the global outlook and positioning of Indian banks may prove instructive to future academicians and industry stakeholders. It would also be useful to extend the study at least to cover a more heterogeneous population; especially those from rural areas as well as those with lower educational background. It can provide a more diverse insight towards the varying thoughts on M&A results. Finally, the cross-sectional study, comparing more than two or more countries or even more geographical locations may help in understanding about the determinants of M&As and their opportunities and risks on the banking industry in terms of global platform. These directions will also add to the existing body of knowledge as well as help policymakers and banking practitioners in making appropriate decisions regarding future M&A policies.

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## APPENDIX 1

### LIST OF PUBLICATIONS

1. Samkutty Samueal, Dr. Rupesh Roshan Singh, 2023. “Climate Change: Role of Banks and Financial Institutions in Greening the Banking System”. Multidisciplinary Science Journal.Vol.5(2023),E-ISSN:2675-1240,  
<https://doi.org/10.31893/multiscience.2023ss0301>.
2. Samkutty Samueal, Dr. Rupesh Roshan Singh, 2023. “Blockchain in Banking: A Study on Central Bank Digital Currency”. Multidisciplinary Science Journal. Vol.5 (2023), E-ISSN: 2675 – 1240, <https://doi.org/10.31893/multiscience.2023ss0302>.
3. Samkutty Samueal, Dr. Rupesh Roshan Singh, 2023. “Mega Banking Mergers: An Analytical Study on Consolidation of Banks in India”. AIP Publishing. Vol.2773, Issue 1, ISSN 1551-7616, DOI: [10.1063/5.0138634](https://doi.org/10.1063/5.0138634)

## **APPENDIX 2**

### **LIST OF INTERNATIONAL CONFERENCES ATTENDED**

1. Paper titled “Digital Payments and Consumer Behaviour: A study with Special Reference to Kerala” has been presented at an International Conference on “Digital Transformation for Business Sustainability & Growth” held on August 2023, organised by Mittal School of Business, Lovely Professional University, Punjab.
2. Paper Titled “Climate Change: Role of Banks and Financial Institutions in Greening the Banking System” has been presented at an International Conference on “Management - Innovations and Disruptions for Sustainable Development” held during 15-17, March 2023, organised by Lead College of Management, Palakkad, Kerala.
3. Paper titled “Blockchain for banking: A study on central bank digital currency” was presented at the “International Conference on Blockchain for Business: Embracing Digital Disruptions” held on Oct 14, 2022 at Lovely Professional University, Punjab.
4. Paper titled “Mega Banking Mergers: An Analytical Study on Consolidation of Banks in India” has been presented at an International Conference on Humans and Technology: A Holistic and Symbiotic Approach to Sustainable Development” held from 17-22 January 2022, organised by MES College Marampally, Ernakulam, Kerala.
5. Paper titled “Impact of Sustainable Development Practices in the Banking Industry” has been presented at an International Conference on Sustainable Development Practices 2025 - From Vision to Action: Scaling Efforts Toward Sustainable Development” held from 18-19, August 2025 organised by Karunya School of Management, Karunya Institute of Technology and Sciences (Deemed to be University), Coimbatore.

## **APPENDIX 3**

### **LIST OF COPYRIGHT**

Copyright received from the Copyright Office of the Government of India, vide registration No. L114546/2022 for IPR on the conceptional framework ‘Mega Banking Mergers and Global Position’.

## **Appendix 4**

### **INTERVIEW QUESTIONS**

Q. 1 How do you view the current merger and acquisition landscape in the banking industry?

Q. 2 Have you participated in any mergers, acquisitions, or reorganisations at your bank in the past five years? Please specify.

Q. 3 What do you think are the most important factors in today's market for mergers and acquisitions?

Q. 4 If PSBs combine or merge, what does it mean for the industry as a whole?

Q. 5 Why do you think merger and acquisition play a vital role in strengthening the banking position in the domestic and global market?

Q. 6 What advantages government do have in merger and acquisition in banking sector?

Q. 7 Why do you think PSBs merger reduces dependency on the government for capital or funding?

Q. 8 Why do you think that mega banking-mergers enhances banks' international presence in terms of market size?

Q. 9 Why do you believe that mergers and acquisitions create greater prospects for capital formation?

Q. 10 How would you describe the mega banks merger's ability to lower operating costs and improve profit optimization?

Q. 11 What impact do acquisitions and mergers have on banking professional?

Q. 12 How do mergers and acquisitions affect employee job satisfaction with new bank rules, benefits, and working conditions?

Q. 13 What kind of reaction did common man have when they heard about the megabank merger?

Q.14 In your opinion, what benefits have been created for the overall experience of the customer as a result of the merger?

Q. 15 What kinds of difficulties do you anticipate facing the common man and banking professionals before to and following a bank merger

