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Unveiling Merger Effects: Analyzing the Impact of Financial Performance of Union Bank and Indian Bank

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ABSTRACT

In India, the banking industry has been the source of mergers and acquisitions with the biggest effects. As a result, this study aids in assessing the combined organisations' overall performance as well as their productivity, profitability, and efficiency compared to the separate businesses functioning separately. This study examines the effects of amalgamation, particularly in the Indian banking industry. The study focuses on the financial parameters of the recently combined public banks. Secondary data from reports and government sources was used in this investigation. The study's analysis of financial performance before and after amalgamation makes up its methodology. Inferential statistics were employed in the study; the t-test was utilised on all ratios to determine their significance, which allowed us to assess the main areas that needed improvement. It primarily displays the amalgamation success rate, or if the goal of the amalgamation was accomplished. The analysis of Union Bank's financial performance pre and post-amalgamation indicates stability in Earnings Per Share and CASA ratio, with non-significant p-values. However, a significant increase in Net Interest Margin post-amalgamation, highlighted by a p-value of 0.0108, suggests enhanced profitability. Conversely, Return on Equity, Net Profit Margin, and Operating Profit Margin show no significant differences, indicating successful integration without major disruptions. Similarly, Indian Bank's analysis reveals a significant increase in CASA Ratio post-amalgamation with p-value of 0.0167, while other metrics remain stable, suggesting overall stability in profitability and operational efficiency post-consolidation.

Keywords:* *Amalgamation, Financial performance, Public Sector banks, Mergers

INTRODUCTION

Amalgamation is the act of merging or combining multiple elements, entities, or ideas into a unified whole. Recent years have witnessed renewed efforts by the government and the Reserve Bank of India (RBI) to consolidate the banking sector through strategic mergers, aimed at tackling issues such as non-performing assets and improving the overall health of the banking system.

It aims to streamline operations, reduce costs, enhance risk management practices, and provide better services to customers. It helps to consolidate weaker banks with stronger ones, thereby bolstering the financial stability of the banking system. They have greater resources, diversified product offerings, and a wider geographic presence, which enhances their ability to attract customers, mobilize deposits, and lend to various sectors of the economy. Overall, amalgamation in the Indian banking sector is instrumental in promoting financial stability, efficiency, competitiveness, and inclusive growth, thereby contributing to the overall development of the economy.

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REVIEW OF LITERATURE

1. Dr Rashmi Mathur et al. (2023), in their paper "**Measuring the operating performance of the acquirer bank in the pre & post period: Merger between Ing Vysya bank and Kotak Mahindra Bank"** attempts to measure the effect of M&As on the operating performance of the acquirer bank in the Indian banking industry. This paper has analysed a total of 16 variables, which involves liquidity, leverage, solvency and profitability ratios of KMB in its pre-merger and post-merger period. To determine the significant difference paired t-test has been applied with the 5% significance level. The results demonstrated that the liquidity performance of the bank has improved; however, leverage, solvency and profitability position has not changed significantly in the post-merger period.

2. Abhi Dutt Sharma & Dr. Pradeep Kumar Garg (2022), in their paper "**A study on pre and post-merger impact of Punjab National Bank"** studied the change in performance of PNB bank pre and post merging in. This study evaluates the effects of pre and post-merger and suggests measures for achieving the goal of merger. The data analysis made on the current status of PNB, share price and quarterly earnings of the merged banks. The results conclude that the PNB banks should also empower and recruit chief risk officers at market linked compensation to attract the best talent. These appointed chief risk officers should empower to mitigate the exposures.

3.Dr. Monika Mogla & Shikha Kakkar (2020) in their paper "**Recent Amalgamation in Public Sector Banks: A Case Study"** has made an attempt to know the impact of amalgamation of Indian Public sector banks on the operational synergies of the merged banks. The study used operational matrices like financial ratios and revenue between pre and post-merger period. The capital adequacy ratios have improved as well due to the bigger size of the combined entities. It has a good start has been made by the combined entities and it is expected the customers as well as economy as a whole will be benefitted from this.

4. V.Sundhara Moorthy & Krishnakumar.S (2022) in their paper, "**A Descriptive analysis of profitability of selected banks during pre and post-merger and acquisition**" examined the effects of merger of selected banks especially the profitability factors. This study is based on descriptive method and the method of data collection is secondary data. The 6 years period comprises of Pre and Post Merger period. It concludes that Merger is considered as one of the useful tools for growth and expansion of Indian banking sector. It is helpful and nowadays essential for the survival of weaker banks merging into larger banks.

5. **Dr.Anshu Choudhary and Dr.Neha Vashistha (2020)** discuss the amalgamation held between the Punjab National Bank, Oriental Bank of Commerce and United Bank of India in the paper "**A Study of Amalgamation of Oriental Bank of Commerce and United Bank of India into Punjab National Bank"**. The paper highlights the merit of Amalgamation of Banks and sees the impact of post -merger performance of selected Banks in economic growth. The study made comparison on important financial results like casa ratio, CET ratio, CRAR ratio, etc. It results lead to high CASA and lending capacity, and reach wider geographical presence with 2nd largest branch network in India with 11,437 branches and 13856 ATMs across India and 12,814 BCs to cater to a base of 18 crore Plus customer.

NEED FOR THE STUDY

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The study focuses on the efficiency of banks by analysing the pre- and post-amalgamation effects on public sector banks. The analysis assesses the banks' performance. It determines whether or not the goal of the amalgamation was accomplished. It also gives a general understanding of the impacts on the industry. The impact of this amalgamation on customers and investors is covered in the study. An overview of the changes resulting from this amalgamation is provided by the analysis.

OBJECTIVE OF THE STUDY

1) To study the effects of amalgamation in Union bank and Indian bank
2) To determine the impact of amalgamation on efficiency and liquidity position of banks
3) To examine and evaluate impact of amalgamation on profitability position of banks
4) To assess how amalgamation effected the overall performance of banks

RESEARCH GAPS

a) The banks may not always disclose detailed financial or operational data, and obtaining historical data before mergers can be particularly challenging.
b) Findings from a specific merger or a particular banking context may not be generalizable to other mergers or industries.
c) It can be challenging to establish a clear cause-and-effect relationship between amalgamations and their effects. Other concurrent events or external factors may influence the outcomes, making it difficult to attribute changes solely to the merger.

CONCEPTUAL FRAMEWORK

AMALGAMATION

Amalgamation is the act of merging or combining multiple elements, entities, or ideas into a unified whole. Whether in the realm of business, where companies join forces to enhance efficiency and competitiveness, or in the domain of culture, where diverse traditions blend to create a richer societal tapestry, amalgamation embodies the fusion of disparate components into a cohesive entity.

AMALGAMATION IN INDIAN BANKING SECTOR

In the late 1960s and early 1970s, the government's nationalization drive resulted in the amalgamation of several banks to create larger and more robust financial institutions. This initiative aimed to expand banking services, promote financial inclusion, and strengthen the stability of the banking sector.

Subsequent waves of reforms in the 1990s and early 2000s saw further mergers and consolidations, driven by the need to enhance efficiency, address capital adequacy concerns, and adapt to changing market dynamics. Recent years have witnessed renewed efforts by the government and the Reserve Bank of India (RBI) to consolidate the banking sector through strategic mergers, aimed at tackling issues such as non-performing assets and improving the overall health of the banking system.

RESEARCH METHODOLOGY

The ratios of Union bank and Indian bank are used to analyse the overall financial performance of these banks. The study used inferential statistics as statistical tools applied for analysis of data. The datas have been collected from various sources like Annual reports, official website of

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moneycontrol.com and various research papers. The nature of data collected for the research is secondary data.

The research analysis started from the pre amalgamation period of three years from 2017 to 2019 and post amalgamation period of three years from 2021 to 2023 are taken into consideration. For hypothesis testing, t-value, p-value, standard deviation, and mean are calculated with the financial data of banks. The financial performance on the basis of different parameters of the bank before and after the mergers has been statistically compared at 5% level of significance.

DATA ANALYSIS

Statistical analysis involves the collection, interpretation, and presentation of data to uncover patterns, trends, and relationships within the data. It helps in making informed decisions, drawing conclusions, and testing hypotheses.

HYPOTHESIS TESTING:

H_0: There is no significant difference between pre and post amalgamation financial parameters of banks.
H_1: There is significant difference between pre and post amalgamation financial parameters of banks.

T-TEST

A t-test is a statistical hypothesis test used to determine if there is a significant difference between the means of two groups. The t-test used here is paired sample T-Test.
The paired Samples t-test, also known as dependent samples t-test, this test compares the means of two related groups to determine if there is a significant difference between them.
The formula for the paired t-test statistic is:

$$t = \frac{\bar{d}}{s_d/\sqrt{n}}$$

Where:

- $\bar{d}$ is the mean of the differences between paired observations.
- sd is the standard deviation of the differences between paired observations.
- n is the number of pairs of observations.

This Paired t-tests are well-suited for detecting changes within subjects over time or in response to an intervention. They are commonly used in clinical trials, pre-post intervention studies, and before-after studies to assess the effectiveness of treatments or interventions.

If the calculated t-statistic is greater than the critical value (or if the p-value is less than the chosen significance level), then the difference between the means is considered statistically significant, indicating that there is a significant difference between the two related groups. Otherwise, there is insufficient evidence to conclude that there is a significant difference.

UNION BANK:

Union Bank of India is one of the leading public sector banks in the country. The bank is a listed company and the Government of India owns 74.76 percent of the total paid up capital of

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the bank. Headquartered in Mumbai, India, the bank was incorporated on 11 November 1919 as a joint stock company.

On 1 April 2020, Andhra Bank and Corporation Bank merged to form Union Bank of India. This reflects the strategic consolidation initiative of the Indian banking sector. By joining other financial institutions, Union Bank aims to improve its stability, competitiveness and service offering. This process includes integrating operations, optimizing resources and dealing with issues such as non-performing assets. Ultimately, the merger aims to create a stronger and more flexible bank that can respond to the changing needs of customers and contribute to the overall growth and stability of the Indian economy.

Ratios	3 years before				3 years after		
	2017	2018	2019	2020	2021	2022	2023
Net profit margin	1.72	-15.84	-8.54	**-8.11**	4.08	7.63	10.38
Operating profit margin	-14.81	-32.41	-23.24	**-23.55**	-15.97	-12.18	-9.22
EPS	8.33	-68.98	-24.87	**-13.45**	4.47	7.77	12.45
Return on equity/Networth	2.71	-22.75	-11.92	**-10.16**	4.79	7.97	11.72
Net interest margin	1.98	1.93	2.08	**2.09**	2.32	2.34	2.57
CASA ratio	34.34	33.94	35.97	**35.46**	36.26	36.47	35.17

Table 1 Financial ratios of Union bank

Table 1 shows the pre-amalgamation period from 2017 to 2019, Union Bank experienced a notable decline in its net profit margin, indicative of diminishing profitability. The negative margins suggested that the bank's expenses were surpassing its revenue during this timeframe. Similarly, the operating profit margin exhibited a downward trend, reflecting potential operational inefficiencies or increased operating expenses. EPS saw a sharp decline, plummeting to negative values in 2018 and 2019, indicating a significant reduction in profitability per share. Return on equity/net worth also witnessed a consistent decline, suggesting decreasing profitability relative to shareholders' equity.

However, following the amalgamation in 2020, there was a notable turnaround in Union Bank's financial performance. The net profit margin saw a positive shift in 2020, marking the beginning of a steady increase in profitability post-amalgamation. Although the operating profit margin remained negative initially in the post-amalgamation period, there were signs of improvement in the later years, indicating potential efforts to address operational challenges. EPS experienced a recovery post-amalgamation, turning positive again in 2020 and showing significant growth in the subsequent years, signalling improved profitability per share. Return on equity/net worth exhibited a positive turnaround in 2020 as well, with the ratio steadily increasing in the following years, reflecting improved profitability relative to shareholders' equity post-amalgamation.

Additionally, Union Bank maintained a relatively stable net interest margin throughout the pre-amalgamation years, with minor fluctuations but generally maintaining a positive value. This

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stability persisted in the post-amalgamation period, with slight improvements observed in the later years. The CASA ratio, which remained relatively stable during the pre-amalgamation years with minor fluctuations, continued to exhibit stability post-amalgamation, although a slight decline was noted in 2023 compared to 2022.

RATIO		MEAN	STD DEV	T-VALUE	P-VALUE
EPS	PRE	-28.507	38.7831		
	POST	8.23	4.00984	-1.5786	0.2552
CASA	PRE	34.75	1.075314		
	POST	35.96667	0.697878	-1.1886	0.3566
Net Interest Margin	PRE	1.996667	0.076376		
	POST	2.41	0.138924	-9.5385	**0.0108***
Return on Equity	PRE	-10.6533	12.77718		
	POST	8.16	3.468905	-2.1844	0.1606
Net Profit Margin	PRE	-7.55333	8.821481		
	POST	7.363333	3.158454	-2.3255	0.1456
Operating Profit Margin	PRE	-23.4867	8.802592		
	POST	-12.4567	3.383494	-1.7361	0.2247

Table 2 (S-Significant if P≤ 0.05, (Significance level=.05))

Table 2 shows the EPS ratio has a great positive change in mean and its T-value is -1.57 & P-value is 0.2552, which is higher than the significant P-value 0.05. Hence, H0 is accepted implies there is no significant difference in EPS before and after the amalgamation. The casa ratio has a positive change in mean from 34.75% to 35.9% and the T- value is -1.18 & P-value is 0.3566 which is greater than 0.05, H0 is accepted which depicts that there is no significant difference in CASA ratio before and after amalgamation effects. The net interest margin ratio has a significant increase of mean 1.99 in pre amalgamation to 2.14 in post amalgamation period respectively. The T-value is -9.5 & P-value is 0.0108, which is lesser than 0.05 P value significant levels. The result represents that H1 is accepted and there is a significant difference in net interest margin before & after amalgamation. The Return on equity per Networth ratio has a drastic increase of mean -10.65 in pre amalgamation to 8.16 and the T-value is -2.18 & P-value is 0.1606, which is slightly higher than the p-value significant level represents that H0 is accepted and there is no significant difference in return on equity per Networth ratio before & after amalgamation. The net profit margin ratio has a great positive change in mean from -7.5 to 7.36 and the T-value is -2.32 & P-value is 0.1456, which is higher than 0.05 P-value significant level shows that H0 is accepted and there is no significant difference in net profit margin ratio before and after the amalgamation. The operating profit margin ratio has a gradual increase of mean -23.48 in pre amalgamation to -12.45 and the T-value is -1.73 & P-value is 0.2247 greater than 0.05, which is higher than the P-value significant level. The result indicates that H0 is accepted and the difference is not statistically significant for operating profit margin ratio.

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INDIAN BANK:

Indian bank is an Indian public sector bank established in 1907 and headquartered in Chennai. It serves more than 100 million customers with 41,645 employees, 5,814 branches and 4,929 ATM and cash deposit machines. The bank had a total turnover of ₹ 1,094,752 ($140 billion) as on 31 March 2023.

According to an announcement made by India's Finance Minister Nirmala Sitharaman on 30 August 2019, Allahabad Bank was incorporated with effect from 1 April 2020. The bank is currently the seventh largest bank in the country. Indian Bank and Allahabad Bank merged on 1 April 2020. The Indian bank merger marks a strategic initiative by the Indian banking sector to promote consolidation of financial institutions and enhance their strength and efficiency. By merging with other banks, Indian Bank wants to make its operations more efficient, optimize resources and improve the services offered to customers. This process is in line with the government's broader efforts to strengthen the banking sector, address issues such as non-performing assets and leverage synergies to promote economic growth and stability in the sector.

Ratios	**3 years before**				**3 years after**		
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Net profit margin	8.80	7.37	1.67	**3.54**	7.71	10.21	11.84
Operating profit margin	-5.04	-6.74	-8.18	**-11.99**	-9.01	-8.84	-5.49
EPS	30.25	27.29	7.91	**16.38**	27.88	33.99	44.74
Return on equity/Networth	9.86	8.14	2.28	**4.35**	9.34	10.63	12.83
Net interest margin	2.35	2.47	2.50	**2.45**	2.49	2.48	2.84
CASA ratio	37.08	36.95	34.71	**34.65**	42.30	41.76	41.98

Table 3 Financial ratios of Indian bank

Table 3 shows that the amalgamation from 2017 to 2019, Indian Bank witnessed a gradual decline in its net profit margin, dropping from 8.80% in 2017 to 1.67% in 2019. However, post-amalgamation in 2020, there was an immediate improvement, with the net profit margin rebounding to 3.54%. Subsequently, there was a consistent upward trend, culminating in an impressive 11.84% margin by 2023.

Similarly, the operating profit margin, mirroring the trend of the net profit margin, experienced a decline over the pre-amalgamation period, potentially indicating operational challenges or increased operating expenses. Despite a further decline in 2020 post-amalgamation, there were signs of improvement in the following years. EPS showed a decreasing trend over the pre-amalgamation period, plummeting from 30.25 in 2017 to 7.91 in 2019, indicating declining profitability per share. Yet, there was a notable recovery post-amalgamation, with EPS

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increasing to 16.38 in 2020 and showing consistent growth in the subsequent years, reaching an impressive 44.74 by 2023. This suggested significant improvement in profitability per share post-amalgamation.

Return on equity/net worth gradually declined over the pre-amalgamation years, indicating decreasing profitability relative to shareholders' equity. However, there was a positive turnaround in 2020 post-amalgamation, with the ratio increasing to 4.35% and steadily rising in the following years, indicating improved profitability relative to shareholders' equity. The stability in net interest margin observed over the pre-amalgamation years continued post-amalgamation, with minor fluctuations around 2.35% to 2.50%. Moreover, there was a slight increase observed in 2023, reaching 2.84%. This indicated continued stability in generating interest income relative to interest expenses. The CASA ratio, which declined slightly over the pre-amalgamation period, showed a significant improvement post-amalgamation. Notably, there was a notable increase in 2021, followed by further stability in subsequent years, indicating improved liquidity and funding stability for the bank.

RATIO		**MEAN**	**STD DEV**	**T-VALUE**	**P-VALUE**
EPS	PRE	21.8167	12.1341	-1.15801	0.3665
	POST	35.5367	8.53575		
CASA	PRE	36.24667	1.332379	-7.5785	**0.01697***
	POST	42.01333	0.271539		
Net Interest Margin	PRE	2.44	0.079373	-1.7018	0.2309
	POST	2.603333	0.20502		
Return on Equity	PRE	6.76	3.973965	-1.2629	0.3339
	POST	10.93333	1.764662		
Net Profit Margin	PRE	5.946667	3.772086	-1.2042	0.3517
	POST	9.92	2.080216		
Operating Profit Margin	PRE	-6.65333	1.571793	0.5681	0.6272
	POST	-7.78	1.985019		

TABLE 2 (S-Significant if P≤ 0.05, (Significance level=.05))

Table 2 shows The EPS ratio has a great positive change in mean from Rs.21.8 to Rs.35.5 and the T-value is -1.15 & P-value is 0.3665, which is greater than the significant P-value 0.05 shows that H0 is accepted and there is no significant difference in EPS before and after the amalgamation. The casa ratio has a positive change in mean from 36.2% to 42.01% between pre and post amalgamation period. The T- value is 7.57 & P-value is 0.016 which is lesser than 0.05, the P-value significance level. The result depicts that H1 is accepted and there is a significant difference in CASA ratio on before and after amalgamation.

The net interest margin ratio has a slight increase of mean 2.4 to 2.6 and the T-value is -1.7 & P-value is 0.2309, which is greater than the significant P-value 0.05 implies that H0 is accepted and there is no significant difference in net interest margin ratio before & after amalgamation.

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The Return on equity per Networth ratio has a drastic increase of mean 6.76 in pre amalgamation to 10.93 in post amalgamation period respectively. The T-value is -1.26 & P-value is 0.3336, which is greater than the significant P-value 0.05.

The result implies that H0 is accepted and there is no significant difference in return on equity per Networth ratio before & after amalgamation. The net profit margin ratio has a great positive change in mean from 5.9 to 9.9 and the T-value is -1.2 & P-value is 0.3517, which is greater than the significant P-value 0.05 implies that H0 is accepted and there is no significant difference in net profit margin ratio before and after the amalgamation.

The operating profit margin ratio has a gradual decrease of mean-6.65 in pre amalgamation to -7.78 in post amalgamation period respectively. The T-value is 0.56 & P-value is 0.62 greater than 0.05, which is higher than the significant P-value indicates that H0 is accepted and the difference is not statistically significant in operating profit margin ratio.

SUMMARY OF THE FINDINGS

1) The analysis of Union Bank's financial performance on pre and post-amalgamation reveals several insights into the effects of consolidation on key financial ratios. Firstly, there appears to be no significant difference in Earnings Per Share (EPS) and the CASA (Current and Savings Account) ratio between the two periods. The t-tests yielded non-significant results with p-values of 0.2552 and 0.3566, respectively indicating stability in these metrics despite the organizational changes.
2) However, a notable finding emerges regarding the Net Interest Margin of Union bank, where a significant increase post-amalgamation is observed. The t-test result of -9.5385 with a p-value of 0.0108 suggests a substantial improvement in Union Bank's ability to generate revenue from its interest-earning assets following the consolidation. This underscores a positive impact on the bank's profitability and operational efficiency.
3) Conversely, the Union bank's Return on Equity (ROE), Net Profit Margin, and Operating Profit Margin do not exhibit significant differences between the pre and post-amalgamation periods. With t-values of -2.1844, -2.3255, and -1.7361, respectively, alongside corresponding p-values above the 0.05 significance threshold, it indicates a lack of statistical significance in these metrics. While there may not be significant changes in profitability and operational performance, the stability in these areas suggests a successful integration process without major disruptions to Union Bank's financial health.
4) The analysis of Indian Bank's financial ratios pre and post-amalgamation provides valuable insights into the effects of consolidation on key performance indicators. Firstly, the examination of Earnings Per Share (EPS) reveals no statistically significant difference between the pre and post-amalgamation periods, as indicated by a non-significant t-value of -1.15801 and a p-value of 0.3665. Conversely, the CASA Ratio demonstrates a notable increase post-amalgamation, with a statistically significant decrease in the t-value of -7.5785 and a significant p-value of 0.01697, highlighting a positive shift in deposit composition.
5) However, other metrics such as Net Interest Margin, Return on Equity (ROE), Net Profit Margin, and Operating Profit Margin show no statistically significant changes before and after amalgamation, denoted by non-significant p-values of 0.2309, 0.3339, 0.3517, and 0.6272 respectively which is exceeding the significance level 0.05. This suggests overall stability in these areas post-consolidation. This suggests that these key performance indicators remained relatively stable throughout the consolidation process, with no significant deviations in profitability or operational efficiency.

SUGGESTED IMPLICATIONS

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1) Union Bank's amalgamation has resulted in a notable improvement in Net Interest Margin; other key financial ratios such as EPS, CASA Ratio, ROE, Net Profit Margin, and Operating Profit Margin remain largely unaffected. This indicates a balanced transition, where certain aspects of the bank's performance have been positively impacted while others have remained stable throughout the integration process. Continued monitoring and strategic adjustments will be crucial for sustaining and maximizing the benefits of the amalgamation in the long term.
2) Union Bank should focus on further improving the efficiency of its operations post-amalgamation. Enhancing the CASA ratio can involve strategies to attract more low-cost deposits. To further enhance profitability, focus on optimizing operational efficiency and revenue generation. Strengthening Return on Equity/Net Worth can involve prudent capital allocation and strategic investments. Regular monitoring and adjustment of key ratios are crucial for sustained profitability.
3) Indian Bank's post-amalgamation Profitability Ratios have shown significant improvements, particularly in Net Profit Margin and Return on Equity/Net Worth; there is a slight downfall in Operating profit margin and return on assets. To sustain and further enhance profitability, focus on optimizing operational efficiency, increasing revenue streams, and prudent capital allocation.
4) Indian Bank experienced a notable improvement in its CASA Ratio post-amalgamation, signalling positive changes in its deposit structure. Despite this, other financial ratios remained largely unaffected by the consolidation, indicating a stable financial performance overall. This suggests a successful integration process, with the bank maintaining its operational efficiency and financial health amidst organizational changes. Continued monitoring and strategic adjustments will be essential to sustain and build upon these positive developments in the long term.

SCOPE FOR FURTHER RESEARCH

The Study on pre and post effects of amalgamation of banks holds significant importance for various stakeholders, including policymakers, regulators, investors, and customers. It informs future decisions regarding banking sector reforms, regulations, and merger approvals. It helps in evaluating the impact on financial stability. It allows stakeholders to assess whether amalgamation enhances or diminishes the resilience of the banking system and reduces systemic risks. It helps banks identify areas for improvement in processes, systems, and resource allocation to optimize performance post-consolidation. It helps banks understand the impact on customer service, satisfaction, and accessibility. It provides insights into changes in market competition and concentration. It helps competitors anticipate shifts in market dynamics and adjust their strategies accordingly. It is essential for informed decision-making, ensuring financial stability, improving operational efficiency, enhancing customer experience, maintaining investor confidence, and assessing the broader economic impact.

CONCLUSION

Banking sector is one of the fastest growing industries in India. It has transformed from a sluggish business unit to a dynamic industry. The last two decades have seen a paradigm shift in the Indian banking sector. The banking sector in India is growing at an amazing rate. A relatively new dimension has been accelerated by mergers in the Indian banking sector. By merging the banking sector, banks can achieve significant growth in their operations, significantly minimize their costs, and competition will also decrease, as the merger will eliminate competitors from the banking sector.

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