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A REVIEW ON MERGER AND ACQUISITION IN INDIAN BANKING SECTOR

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Abstract-

M&As, or mergers and acquisitions, entail the buying, selling, splitting, and merging of multiple connected firms in addition to the strategic management of corporate finance. One firm gives the other ownership and control after a merger. The nation's economic expansion depends on the banking sector. In recent times, banks have also diversified to broaden the scope of their operations. They manage money transfers across locations and act as guarantors for their clients in addition to handling transactions like subscription payments. This study employs a thorough methodology to compare the causes of M&A in India. The approach is based on a combination of recent literature reviews and is non-empirical.

Keywords: Merger & Acquisition, Banking Sector, Indian Banks, Bank of Baroda, Punjab National Bank etc.

I. INTRODUCTION

M&As have been essential to the restructuring of India's industrial sector after the Second World War. The political and economic conditions that prevailed during and after World War II, especially the years following independence, gave rise to a wave of mergers and acquisitions (M&As). During the inflationary conditions of the war, many Indian businessmen were able to amass fortune through enormous earnings, dividends, and black money (Kothari 1967). Increased activity was the result of "wholesale infiltration of businessmen in industry during war period, stock exchanges saw hectic activity." There was a rush to acquire industrial organisations notwithstanding the surging share prices. The practice of purchasing shares on the open market and trafficking in managing agency rights with the goal of assuming control of reputable companies has gained widespread recognition. Gaining control over management agencies and managing firm ownership combined to produce a situation where many issues ended up in the hands of the most prestigious industrial companies in the country (Kothari, 1967). British management agency houses sold off their holdings at unbelievable rates that the Indian business sector was willing to bear after it became clear that India would gain independence. Apart from the shift in managing agencies, there were other cases where Indian ownership took over British assets in certain industrial entities. Furthermore, it used to be standard procedure to seize control of insurance companies and use the proceeds to buy substantial shares in other corporations.

Thirty to thirty-five percent of the population lives in metro and urban centres, with the remainder being spread out throughout numerous semi-urban and rural areas. The banking structure consists of three tiers. The scheduled commercial banks, the cooperative and special purpose rural banks, and the regional rural banks—which operate in rural areas not serviced by the scheduled banks—are these. The economic policy framework of the country combines aspects of socialism and capitalism, with a strong preference for investments in the public sector. Rather than pursuing the "exported growth" of other Asian economies, India has sought growth-led exports, emphasising import substitution to attain self-reliance. Up until the late 18th century, banks did not exist in India in the contemporary sense. During the American Civil War, the United States stopped supplying cotton to Lancashire, the textile capital of the United Kingdom. A few banks were founded during that time to finance a range of businesses, including cotton speculation. The industry has also been entrusted with assisting other economic sectors, such as small-scale India In order to assess the performance of commercial banks, the Reserve Bank of India further categorises them into public sector, old private sector, new private sector, and foreign banks in addition to the scheduled and non-scheduled categories. After the ordinance was issued, the Parliament spent the next two weeks passing the Banking Companies (Acquisition and Transfer of Undertaking) Bill. The legislation was finally signed into law by the president on August 9, 1969. In 1980, six more commercial banks were nationalised in a second wave. Giving the government more control over loan distribution was the rationale for this. At that point, the Indian government had practically assumed control of 91% of the nation's banking sector.

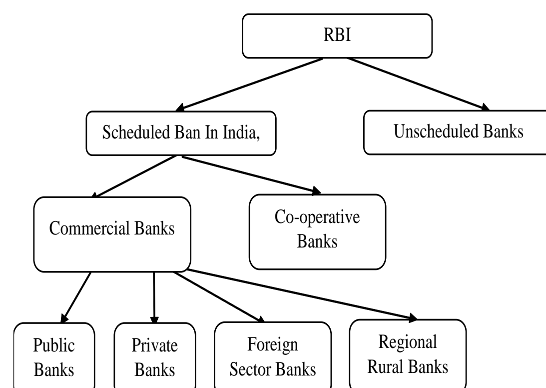

Fig 1: Structure of Indian Banking System [1]

Up to the 1990s, the growth rate of all nationalised banks was roughly 4%, which was in line with the average growth rate of the Indian economy. There are ninety-three scheduled commercial banks, both Indian and foreign, and 196 regional rural banks. The cooperative sector is home to about 2000 cooperative banks, including non-scheduled banks. Most of the business in the banking sector is controlled by the State Bank of India and the nationalised banks, which are public sector banks. Based on their ownership and/or business nature, Scheduled Commercial Banks (SCBs) can be divided into four categories in India. These bank groups are shown in fig. 1.

The RBI is a well recognised international regulator with outstanding regulatory effectiveness. It is quite effective at monitoring and controlling such a broad system, which consists of cooperative banks, foreign banks, and even NBFCs. The RBI is extremely watchful at the macro, institutional, and individual levels and regularly releases publications like the Financial Stability Report. The Indian banking sector saw strong growth in both deposits and advances during FY 2022; overall deposits at scheduled commercial banks rose by 11.7% and total advances by 10.2%.In March 2022, the gross non-performing assets (NPA) ratio of all scheduled commercial banks (SCBs) dropped from 9.1% to 8.2% due to a decline in the non-performing assets (NPAs) of public sector banks (PSBs).

1. Central Bank

The Reserve Bank of India (RBI), the country's central bank, is in charge of regulating and supervising the banking and monetary systems of the country.

2. Commercial Bank

The three most common sorts of banks are foreign banks, private sector banks, and public sector banks. They provide a number of services, such as current and savings accounts, loans, and investments. The three most common sorts of banks are foreign banks, private sector banks, and public sector banks. They provide a number of services, such as current and savings accounts, loans, and investments.

This paper is ordered as follows: section II provides detail of performance of Indian Banks. Section III describes the Indian Banking sector with mergers. Section IV provides review of literature. Problem statement is presented in section V. At last, conclusion is presented.

II. PERFORMANCE OF INDIAN BANKS

In terms of growth, asset quality, and profitability, Indian banks have outperformed other regional banks during the past few years. Over the period from April 2001 to the present, the banking index has grown at a compound annual growth rate of 51%, whereas the market index has expanded at a rate of 27%. A number of notable changes to laws and rules have been put into place by lawmakers to aid in the industry's expansion. Tightening prudential standards, enhancing the payments system, and harmonising regulations pertaining to commercial and cooperative banks are a few of these changes. Nonetheless, bank penetration is limited to a few client segments and geographic areas, and intermediation costs remain extremely high. While bank lending has played a significant role in GDP growth and employment generation, the system's stability has sometimes been threatened by isolated cases of certain weak institutions "failing." The sector's viability could be seriously hampered if structural flaws such as a disjointed industry structure, restrictions on the availability and use of capital, a lack of institutional support infrastructure, restrictive labour laws, a mediocre corporate governance system, and ineffectual regulations that go beyond Scheduled Commercial Banks (SCBs) are not addressed. Additionally, bank management's inability (with a few notable exceptions) to improve capital allocation, service platform productivity, and organisational performance ethic may have a detrimental effect on future performance.

The requirements for becoming a financially successful member of the sector have grown. There are four challenges to overcome before success may be achieved. First, opportunities in fee-based income and investment banking, as well as in consumer financing, wealth management, and credit cards, are being created by new services in the retail and wholesale banking sectors. Because of these advancements, the industry is expanding irregularly. These require new knowledge in finance, operations, and sales & marketing. Second, banks will no longer benefit from windfall treasury gains brought about by the decade-long secular decline in interest rates. Which bank is weaker will be made clear by this. Third, as global banks' interest in India grows, they will become more competitive. Fourth, because household income and age profiles are changing, customers would expect banks to offer them improved institutional capacity and service levels.

The interplay of policy, regulations, and management strategies will determine how Indian banking succeeds in the years to come. Six essential components—industry structure and sector consolidation; capital deployment freedom; regulatory coverage; corporate governance; labour reforms and human capital development; and support for industry utilities and service bureau creation—will determine the regulatory stance as a result of legislative actions. Implementing value-creating M&A as a development pathway, constantly innovating to generate new business models to reach untapped potential, and fundamentally updating organisational competency to stay abreast of market changes will be the three variables that will determine management success. Through these scenarios, we illustrate the outcomes and events that will stem from the decisions taken by policy makers and bank managers. There will be substantial repercussions for inaction or insufficient action, and the outcomes of these activities may vary greatly. Specifically, the sector may contribute 3.3% of GDP (market capitalization of Rs. 2,400 billion) or more than 7.7% of GDP at one extreme (market capitalization of over Rs. 7,500 billion). The intermediation of the banking sector is shown by total loans as a percentage of GDP. This might rise from present levels of approximately 30% to 45% or significantly to over 100% of GDP. Ultimately, the industry may generate 1.5 million employment, compared to the 0.9 million that are currently created.

To reach the high performing scenario, the banking industry will require up to Rs. 600 billion (US$ 14 billion) in capital for advances, write-offs of non-performing loans (NPLs), and investments in IT and human resource enhancements. As a result, one important consideration will be financial availability. Three scenarios can be used to explain these results: Outstanding outcomes: In this instance, government involvement is restricted to that which is required to protect

consumer interests and preserve system stability, allowing management the latitude to carry out major improvements. In order to reduce the costs of intermediation, banks are able to alter their capabilities and regulations, which encourages innovation, growth, and productivity. Banking contributes significantly to GDP growth and increased employment, and a broad spectrum of individuals can obtain high-quality financial products. The management team has the ability to rearrange the organisational structures of banks, focus on industry consolidation, and make banks significant participants in their respective sectors. In this scenario, there is a consolidation of both public sector banks (PSBs) and private sector banks. Foreign banks start to purchase out some older and newer private banks as they get involved in M&A. In addition, banks in the public and private sectors are beginning to engage in mergers and acquisitions. Consequently, foreign and new private banks grow at rates of fifty percent, while PSBs boost their growth rate to fifteen percent. Foreign banks make up 20% of all sector assets, while private sector banks—including those created through mergers with PSBs—make over 35%. The value that the banking industry adds to the GDP increases to over 7.7 percent from the existing levels of 2.5 percent. Up to Rs. 600 billion in funding would be required over the course of the following five years to finance this massive growth. With a pro-market stance, officials liberalise the industry gradually but cautiously.

This results in some constraints continuing to exist. Even while steps have been taken to create incredibly efficient businesses, most banks are still not performing at the best level. Therefore, in comparison to developed markets, the industry is still in its infancy, even though it starts to play a substantial role in wealth creation and the economy in 2010. Significant changes still need to be made to policies, rules, and capability-building programmes, especially by public sector and legacy private sector organisations. The primary driver of M&A activity in this instance is the emergence of new private banks, which both acquire and merge with more established ones. As a result, the growth rate of these institutions increases to 35%. Foreign banks have had a 30% faster growth rate as a result of a few rules being relaxed. Private sector banks' share of overall sector assets increases from current levels of 18% to 30%, while the amount of foreign banks' assets climbs to more than 12%. The banking sector now contributes more than 4.7% of GDP to the economy. Regulatory agencies intervene in this situation to impose restrictions, and management is unable to make the required changes to increase shareholder returns and provide customers with high-quality goods and services. As a result, growth and productivity are low, and the banking sector cannot support a rapidly growing economy. Under this scenario, there is minimal industry consolidation and most banks continue to function at a sub-scale level. New private sector banks continue to grow at a rate of about 25%. Traditional private sector banks' and PSBs' growth has significantly halted. Foreign banks still account for 7% of total assets. On the other hand, value ads in the banking sector only contribute 3.3% of GDP.

III. INDIAN BANKING SECTORS WITH MERGERS

The importance of banks to the contemporary economy cannot be understated. The nation's economic expansion depends on the banking sector. Banking organisations perform a range of functions, such as receiving deposits and lending money to companies in the industrial and agricultural sectors. Global banking is expected to undergo a transformation in tandem with India's economic shift from a manufacturing-driven to a rising service-driven economy. Overall, the Indian banking sector is evolving. Without a doubt, Indian banks have constantly shown that they are capable of adapting and growing into a flexible and resilient company. The banking industry has been the subject of numerous mergers and amalgamations in recent years. A plan for the merging of any nationalised bank with another nationalised bank or banking sector may be designed by the Reserve Bank of India (RBI), the Central Government, in accordance with the banking firms Acts of 1970 and 1980 (Acquisition and Transfer of undertaking).

Over the past thirty years, India's financial system has achieved a number of noteworthy achievements. What is most notable about it is its broad scope. The Indian banking system is present throughout the country, even in the most isolated regions. One of the main reasons India is progressing is that its banking system has reached even the most remote parts of the country. An account holder used to have to wait hours on end to get a draft or withdraw his own money from the bank counter. However, they now have an option.

Moreover, the most productive bank required two days to transfer money between locations. But these days, it's as simple as sending an instant message or placing a pizza order. The currency of the day is now money. Since the country's independence, banks have been crucial to India's socioeconomic development. The rapid changes brought about by the gradually enacted financial sector reforms have opened up an exciting new chapter for Indian banks. The ongoing transformation process presents an opportunity to build a strong, stable, and dynamic banking system in India that can operate without undue interference from the government and fulfil its obligations without burdening the economy. After the Indian economy was liberalised, the government put up a number of reforms and policies based on the Narasimhan Committee's recommendation to establish a robust and competitive banking sector.

A. Types of Merger

Congeneric Mergers

A generic merger is also known as a product extension merger. when two or more companies share similar traits, like marketing, technology, production techniques, and research and development, and operate in the same market or industry. A product extension merger happens when two businesses integrate their new business ventures with one other's pre-existing business ventures.

Market Extension Mergers

- when two companies operate in different marketplaces yet sell the same products. Companies who combine in a market extension agreement want to reach a wider audience in order to grow their customer base.

We wish to accomplish this for the strong banking system and a $5 trillion economy, having completed two rounds of bank restructuring before. On August 30, 2019, Union Finance Minister Nirmala Sitharaman announced the consolidation of State-owned banks (PSBs). Ten PSBs were combined to establish four larger lenders, strengthening the banking industry that was being negatively impacted by bad loans. The objective was to improve bank balance sheets and establish global lenders capable of sustaining the economy's projected $5 trillion growth by 2024.

FM According to Sitharaman, efforts are underway to establish large, next-generation banks that have the ability to expand credit. The technical platform, cultural affinities, customer reach, and competitiveness are the main drivers of mergers.

Table 1: Mega Bank Mergers List in India 2019 to 2020

Acquiring Bank	Acquired Bank	Year of Merger
Bank of Baroda	Vijaya Bank, Dena Bank	April 1, 2019
Punjab national bank	Oriental Bank of Commerce, United Bank of India	April 1, 2020
Canara Bank	Syndicated Bank	April 1, 2020

Merger 1: Bank of Baroda, Vijaya Bank and Dena Bank

On September 17, 2018, the Narendra Modi government announced plans to merge three public sector banks, including Mumbai-based Dena Bank. Bank of Baroda, with its main office in Vadodara, Gujarat, and Vijaya Bank, located in Bengaluru

With legal claims of more than Rs 14 lakh crore, the combined corporation will rank third in terms of lending in India, behind State Bank of India and HDFC Bank.

On January 2, 2019, the Indian government approved the combination of Bank of Baroda, Vijaya Bank, and Dena Bank. As per the merger agreement, shareholders of Dena Bank and Vijaya Bank received 110 and 402 face-value equity shares of Bank of Baroda, respectively, for every 1000 shares of each bank. Vijaya Bank and Dena Bank will combine to establish Bank of Baroda on April 1, 2019. The government has chosen to give Bank of Baroda around Rs 5,042 crore in order to strengthen the bank's financial position during the merger.

Following the merger, Bank of Baroda currently holds the second-highest number of branches in India. The fast corrective action framework of the RBI is only applicable to four banks. Dena Bank is one of the five PSU banks that are under PCA monitoring as a result of increasing NPAs and losses. Apart from profitability, a Moody's analysis indicates that Dena Bank and Vijaya Bank's third-quarter results indicate that the combined entity's main credit metrics will be similar to those of Bank of Baroda. Additionally, it predicts that Bank of Baroda's earnings will be adversely affected by the non-performing assets (NPAs) of the other two banks. Market sources predict that the short-term performance of the bank will likely be impacted by the cultural integration of the three institutions. But since the Finacle CBS platform is used by all three banks, the back-end technical connection ought to work rather well.

Merger 2: Punjab National Bank, Oriented Bank of Commerce & United Bank of India

With the acquisition of United Bank of India (UBI) and Oriental Bank of Commerce (OBC) on April 1, 2020, Punjab National Bank (PNB) will surpass State Bank of India (SBI) as the nation's second-largest lender in terms of business and branch network.

PNB and Union Bank, the two anchor banks for the merger, will receive the greatest share of recapitalization, each at Rs 16,000 crore and Rs 11,700 crore, respectively.

The bank announced via a press release that all customers, including depositors, will be treated as PNB customers and that the combined synergies from the merger will create PNB 2.0, a globally competitive next generation bank.

PNB 2.0 promised to offer particular cross-platform and branch-specific interoperability services, such as online and mobile banking.

With more than 11,000 branches, 13,000 ATMs, 1 lakh employees, and more than Rs 18 lakh crore in revenue, the combined bank will be more widely distributed.

Merger 3: Canara Bank & Syndicate Bank

Following the merger, Syndicate Bank's stockholders now own 158 shares of Canara Bank for every 1000 shares of Canara Bank that Canara Bank acquired. The banks will have 12,829 ATMs and 10,342 branches. The Syndicate Bank and Canara Bank merged on April 1, 2020. Canara Bank is now the fourth-largest public sector bank in India. The worth of Canara Bank is 15.20 lac rupees.Their whole workforce consists of 91,685 personnel. • The present initiatives to promote financial inclusion and the banking industry's outreach to the general public would be further increased by the combination of these institutions.

Integration would lead to lower operating costs due to network overlap.

IV. REVIEW OF LITERAURE

According to P. S. Kambar et al. [2019][1], the Indian economy was renowned for its resilience, having weathered years of constant fluctuation, worldwide economic downturns, and recent governmental reforms with grace. An economy's lifeline was thought to be the banking industry. Despite difficulties from the global economic environment and rising developments in the financial sector, the Indian banking sector enjoys a reputation for stability on a worldwide scale. In India, there were numerous public sector banks, thus in theory, consolidation and merger made sense. Synergies in the branch network, low-cost deposits, and subsidiaries are some of the ways that the merger will assist the banks improve customer service and operational efficiency. However, given that these were not typical times and that many public sector banks were in trouble and in dangerous situations, consolidating and merging banks was not a simple operation. Finding troubled banks and persuading them to combine with a bigger company was a difficult task for the government. The author of this research study has attempted to analyse the extent, ramifications, and downsides of the merger process as well as to pinpoint the main obstacles and outcomes that stand in its way.

According to P. S. Pombarla et al. [2020][2], the Indian banking sector is one of the fastest-growing and most successful sectors in the world, and it has seen significant development over the past 20 years. Since banks actively contribute to a nation's economic development, their systems must be effective and efficient. The banking industry's fierce rivalry has made mergers and acquisitions crucial since they reduce risk, boost profits, improve customer service with the assistance of trained staff by offering specialised goods and services, and drive out rivals. This research paper details the massive merger that happened on April 1, 2020.

According to P. J. L. Reddy et al. [2020][3], the banking industry is one of the fastest growing in India and holds a prominent position in every economy. The challenge posed by global players, such as international banks, was extremely high and difficult. On the other hand, there was fierce competition between public and private banks to reach the intended audience. The concerning aspect, though, was that nonperforming assets were rising at the same time as core business. In order to lower the NPA, the banking industry underwent mergers as a result. April 1, 2017, saw the largest and most recent merger in the history of the banking sector, including the State Bank of India and its affiliated institutions. And now, on August 30, 2019, the Indian government announced the largest-ever megabank merger in India: the combination of 10 public sector banks into 4 sizable banks. These bank mergers will bring nearly half of all outstanding loans in India's banking sector together annually. The banks involved were Oriental Bank of Commerce and United Bank of India merging with Punjab National Bank, Syndicate Bank merging with Canara Bank, Andhra Bank and Corporation Bank merging with Union Bank of India, and Allahabad Bank merging with Indian Bank. The central government's decision to merge these major banks will help the economy grow to $5 trillion over the next five years. With a high percentage of non-performing assets, the Indian economy was in need of some assistance, which this merger will provide. This study work aims to determine whether or not the performance of banks following a merger will actually accelerate the rate of economic growth.

According to Dr. R. S. Samuel et al. [2021][4], mergers were predicted to happen on a far larger scale than in the past due to the increased competitiveness in the globalised economy. These mergers have been crucial in gaining a competitive edge in the fast-paced market environment. Combinations may end up posing a serious risk to both organisations' human resources. If the process is not handled carefully, neither party has a clear knowledge of the other, or there is a lack of cooperation among participants, the entire endeavour could be in vain and the outcome tragic. This predicament typically arises when mergers neglect to take into account or resolve employee concerns, particularly those of the target company. As evidenced by the 1921 amalgamation of the three Presidency banks of India—the Bank of Bengal, the Bank of Bombay, and the Bank of Madras—to form the Imperial Bank of India, which was subsequently renamed the State Bank of India following the country's independence, mergers and acquisitions were nothing new in India. Later on, we witnessed the one and only merger of nationalised banks when the government combined Punjab National Bank with the New Bank of India in 1993. There were more private sector initiatives in this area. However, considerable research in this field was started by HDFC's largest merger, which occurred in 2008 when it merged with the Centurion Bank of Punjab. The attitudes of HDFC Bank personnel both before and after the merger are the subject of this study.

According to A. Bansal et al. [2022][5], acquisitions are marked by intricate organisational changes that make workers very apprehensive and impede the execution of intended improvements. Although research continually emphasises the significance of communication after an acquisition, it provides little understanding of the factors that encourage staff members to accept related adjustments. The majority of manager guidance centres on the necessity of conveying pertinent, timely, correct, and adequate information to resolve employee problems. We find that perceptions of fairness also influence how successful communication is after an acquisition. We find that the influence of the information presented is totally mediated by employee views about the reasoning behind decisions. This implies that "how" decisions were made and shared with staff members after an acquisition was just as significant, if not more so, than "what" decisions were shared. Our findings are based on a mixed-method research approach that uses employee questionnaires and interviews with management of the acquiring firms to examine the communication strategies of five acquisitions in India.

Although the phrases "merger" and "acquisition" were frequently used interchangeably, M. Singh et al. [2022][6] pointed out that there were some distinctions. While an acquisition involves one corporation buying and acquiring another, a merger unites two entities into one. A few advantages of mergers and acquisitions (M&A) included cost savings, resource efficiency, the acquisition of competence or expertise, tax benefits, and a decrease in competition. The viewpoints of buyers and sellers regarding the neutrality of the tax system are covered in the first section. Combinations are defined under the Indian Income Tax Act as the combination of two or more businesses to form a new business or the joining of one or more businesses with another business. I've tried to cover the tax ramifications of several transactions in this document.

According to H. Sahni et al. [2023][7], a merger is considered to be the amalgamation of two or more companies for their mutual advantage in the corporate sector. It was described as a strategic tool for businesses looking to reform or establish themselves as new players in the market in order to adjust to a changing competitive landscape. The purpose of this study was to determine how post-merger employee satisfaction impacted their loyalty to the organisation and their intention to go. Therefore, the purpose of this work was to investigate employee satisfaction levels in Indian commercial banks following a merger. A sample of one hundred workers from recently combined commercial institutions was used. After the merger, the majority of those who responded were content with their positions. According to the study's findings, banks should determine what their staff members require and provide a comfortable work environment.

According to Mr. P. S. Yadaw et al. [2023][8], mergers and acquisitions are a useful instrument for corporate expansion and restructuring in commercial settings all over the world. In the hands of management, they were a useful instrument for achieving increased productivity through prospects for expansion and synergies. The process by which two distinct businesses combine their operations to become a single organisation is known as a merger. The current shareholders of both companies involved in a merger, often referred to as a takeover, retain an interest in the newly formed corporation. In contrast, an acquisition involves the purchase of a significant amount of the target business's shares by the acquiring company, even if the target company is unwilling to sell. In contrast, a banking merger occurs when two banks pool their assets to establish a single organisation. This paper's goal was to investigate the current patterns and causes of mergers and acquisitions (M&A) in India.

V. PROBLEM STATEMENT

Recent years have seen a large number of mergers and acquisitions in the banking industry, which have resulted in the establishment of numerous foreign businesses. Only in today's demanding environment can large businesses thrive. Demonetization has left government banks in bad condition.

Due to demonetization, among other reasons, several government banks have experienced massive losses from bad loans from which the lenders are hesitant to make a profit. There have been discussions about closing some banks because it would have been very risky for the general population to withdraw money from their accounts in that circumstance. So, after conferring with the RBI, the government has gallantly chosen to combine banks through large-scale economic activities rather than closing individual banks. Public sector banks can be strengthened by concentrating on increasing revenues and services, optimising staff utilisation, reducing expenses, and reducing non-performing assets (NPAs) through the consolidation of multiple banks into a small number and the effective development of resources. As a result, the inquiry is carried out to gather additional details.

VI. CONCLUSION

Recent years have seen a large number of mergers and acquisitions in the banking industry, which have resulted in the establishment of numerous foreign businesses. Mergers and acquisitions yield financial gains and an increase in the target bank's equity. The situation and conditions will determine whether or not to increase the acquirer's share and profit. Preserving the existing markets for the economy and reducing competition are the primary objectives of the merger and acquisition. A merger is only good for the expansion and advancement of the country if it does not cause issues with competition. Effects of mergers and acquisitions on shareholder value The number of bidders available, the funding mechanism chosen, and the relative sizes of the merging partners are some of the structural factors that might affect the success of a merger or acquisition.

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