

Merger and Acquisition of Indian Banks and Their Impact on its Financial Performance & Shareholder Wealth

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Abstract: *This study investigates the financial performance and shareholder value outcomes of mergers and acquisitions (M&A) in the Indian banking sector. Through the analysis of three major bank mergers—State Bank of India and its associates, Bank of Baroda with Vijaya and Dena Banks, and Punjab National Bank with Oriental Bank of Commerce and United Bank—the research evaluates operational performance, profitability, and shareholder returns pre- and post-merger. Using financial ratios and t-tests, the study identifies significant changes in financial metrics and shareholder wealth. The findings suggest that while M&A can enhance operational efficiency and shareholder value, the results vary based on individual merger circumstances and integration strategies.*

Keywords: Mergers and Acquisitions, Indian Banking Sector, Financial Performance, Shareholder Value, Operational Efficiency