REVIEW ARTICLE

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Value Creation in Indian Public Sector Bank Mergers: A Case Study of Union Bank of India

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Abstract

This study explores the concept of value enhancement through mergers and acquisitions (M&A), with a focused analysis of Bank of Baroda's strategic amalgamation. In response to intensifying competition within the Indian banking sector, M&A has emerged as a pivotal strategy to enhance operational performance, broaden market reach, and strengthen geographic presence. The research centres on the historic 2020 merger of Union Bank of India with Andhra Bank and Corporation Bank—an event that marked a transformative phase in India's public sector banking landscape. By examining financial performance indicators such as profitability, asset quality, and non-performing assets (NPAs), this study assesses the merger's overall impact. A comparative analysis of pre- and post-merger data indicates that despite initial hurdles related to integration and asset health, Bank of Baroda was able to harness operational synergies, eliminate functional redundancies, and expand its customer base. These factors collectively led to notable improvements in financial stability. In addition, the research delves into the complexities of organizational integration and risk management, offering valuable insights into how M&A strategies can effectively foster value creation within the Indian banking industry.

Keywords: Merger, Acquisition, Banking, financial performance. Union Bank of India.

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Introduction:

The Indian banking landscape has undergone a transformative phase marked by a wave of mergers and acquisitions (M&A), largely propelled by policy reforms, increasing market competition, and proactive regulatory interventions. *Mergers and acquisitions have become a key strategic tool for unlocking value, allowing banks to enhance operational efficiency, bolster capital adequacy, and sharpen their competitive advantage. (G. Bharathi Kamath,2023).* This Through consolidation, banks are able to tap into economies of scale, widen their customer outreach, diversify service portfolios, and eliminate inefficiencies, ultimately enhancing overall financial resilience. Regulatory institutions, particularly the Reserve Bank of India (RBI) and the Ministry of Finance, have played a pivotal role in promoting mergers—especially among public sector banks (PSBs)—to create stronger and more sustainable banking entities. A landmark initiative in April 2020 saw the merger of 10 PSBs into four major banks. One significant case was the amalgamation of Andhra Bank and Corporation Bank with Union Bank of India (UBI), propelling UBI to become the fifth-largest public sector bank in India in terms of business size. Post-merger, Union Bank of India expanded its pan-India presence with over 9,500 branches, improved its total business to over ₹15 lakh crore, and gained access to a broader customer base and resource pool. The merger was strategically aimed at improving asset quality, curbing rising NPAs, and fostering better credit delivery. Despite initial integration hurdles such as system harmonization, cultural alignment, and managing legacy stressed assets, UBI made measurable progress in cost optimization, digital transformation, and risk containment. In summary, while mergers in the Indian banking sector present integration challenges,

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successful cases like that of Union Bank of India affirm the potential for long-term value generation, enhanced profitability, and broader financial inclusion.

Concept of Value Creation & Synergy

Value creation in M&A refers to the enhancement of the combined firm's worth, where the merged entity achieves greater efficiency, profitability, and market reach than the individual companies could separately. A key driver of this is *synergy*, which occurs when the integration results in cost savings, increased revenues, or improved financial strength. Synergies can be operational (like reduced redundancies), financial (such as better capital access), or strategic (like market expansion), all contributing to stronger post-merger performance.

Merger of Union Bank of India

The merger of Union Bank of India with Andhra Bank and Corporation Bank, which took effect on April 1, 2020, marked a significant milestone in the consolidation of India's public sector banking sector.(Deepa Chavan, 2020). This strategic move elevated Union Bank to the position of the fifth-largest public sector bank in the country, significantly expanding its footprint with over 9,300 branches, 10,000+ ATMs, and a customer base of more than 153 million. The merger resulted in notable improvements in financial performance—Net Profit Ratio shifted from an average of -7.69% pre-merger to 13.67% by FY 2023–24, while Return on Net Worth (RoNW) rose steadily, achieving 14.94% with a post-merger CAGR of 45.30%. Asset quality also improved as Gross NPAs reduced from 15.73% in FY 2018 to 11.11% in FY 2022. These gains were driven by operational synergies, cost efficiencies, and streamlined functions. *A significant achievement was the seamless technological integration of all branches, which enabled uninterrupted service delivery across the consolidated network. Overall, the merger serves as a strong example of how strategic consolidation can drive value creation in the Indian banking sector. (Anukriti Agrawal,2023)*

Review of Literature

Mishra & Sahu (2018): This study revealed that mergers improved credit risk management and contributed to a decline in non-performing assets in Indian banks. It emphasized the critical role of integrating risk management frameworks to maximize value creation post-merger.

Bansal & Saini (2019): The authors found that incorporating digital transformation during bank mergers significantly enhanced operational efficiency and customer experience. Banks prioritizing technology integration during M&A achieved greater value creation and stronger customer retention.

Mishra & Sharma (2019): Their research showed that mergers could lead to better credit risk profiles and reduced default rates when banks aligned strategically. The effectiveness of these improvements depended largely on how well the entities integrated their risk management systems.

Srinivasan & Kumar (2019): This study highlighted the importance of robust corporate governance in the success of banking mergers. Banks with strong governance structures were better equipped to create value through improved synergies and post-merger performance.

Chatterjee & Dey (2020): The authors concluded that successful mergers not only raised profitability but also enhanced the stability of banks in the long term. They stressed that strategic fit and effective integration are key to sustainable value creation.

Kumar & Singh (2020): Their paper discussed how evolving regulatory policies have influenced merger activities in Indian banks. Proactive regulatory frameworks created a favorable environment for banks to realize synergies and maximize merger benefits.

Sharma & Sharma (2020): This study found that higher employee engagement during mergers correlated with smoother integration and better value outcomes. Addressing employee concerns and fostering collaboration were deemed essential for post-merger success.

Research Methodology

Research Design

This study examines the financial performance and non-performing assets (NPA) of selected banks over the period from 2014 to 2024, evaluating how mergers and acquisitions have influenced key financial metrics. Utilizing secondary data sourced mainly from audited financial reports, the research emphasizes profitability and other critical financial indicators.

Objective of the Study

- To analyze the effect of non-performing assets (NPA) on the overall performance of the selected banks.
- To evaluate the impact of NPAs on shareholder equity in the chosen banks in India.
- To investigate how NPAs affect the total investments of the selected banks.
- To recommend guidelines for the improvement and development of the selected banks in India.
- To provide a comprehensive roadmap for the effective management and utilization of mergers and acquisitions within the selected banks in India.

Hypothesis of the Study

We start with the following hypothesis:

- There is no relationship between the Investment of selected banks and its Non-Performing Assets (NPA).
- There is no relationship between the total cash with RBI and its Non-Performing Assets (NPA).
- There is no relationship between the total funds of selected banks and its Non-Performing Assets (NPA).
- There is no relationship between the total capital of selected banks and its Non-Performing Assets (NPA).
- There is no relationship between the mergers and acquisitions and its Non-Performing Assets (NPA).

Table: 1

Financial performance of Pre Mergers and Acquisitions of Union Bank of India

ALANCE SHEET OF UNION BANK OF INDIA (in Rs. Cr.)	MAR 19	MAR 18	MAR 17	MAR 16	MAR 15
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	1,763.02	1,168.57	687.44	687.44	635.78
TOTAL SHARE CAPITAL	1,763.02	1,168.57	687.44	687.44	635.78
Revaluation Reserve	2,234.81	0.00	0.00	2,581.24	1,424.71
Reserves and Surplus	22,489.18	23,928.20	22,747.76	19,622.53	17,700.40
Total Reserves and Surplus	24,723.99	23,928.20	22,747.76	22,203.77	19,125.10
TOTAL SHAREHOLDERS FUNDS	26,487.01	25,096.77	23,435.20	22,891.21	19,760.88
Deposits	415,915.27	408,501.64	378,391.58	342,720.01	316,869.92
Borrowings	42,863.82	45,680.77	41,225.87	30,957.35	35,359.98
Other Liabilities and Provisions	8,772.74	8,126.82	9,110.79	8,127.33	9,625.15
TOTAL CAPITAL AND LIABILITIES	494,038.84	487,406.00	452,704.44	404,695.90	381,615.93
ASSETS					
Cash and Balances with Reserve Bank of India	20,796.46	21,016.47	16,520.45	15,604.72	15,063.08
Balances with Banks Money at Call and Short Notice	22,249.51	28,424.73	16,302.05	13,671.50	7,314.94
Investments	126,046.64	123,780.12	112,148.96	89,208.35	94,092.98
Advances	296,932.15	288,760.58	286,466.58	267,354.00	255,654.57
Fixed Assets	3,762.29	3,833.33	3,894.42	3,939.87	2,681.95
Other Assets	24,251.78	21,590.76	17,371.99	14,917.46	6,808.41
TOTAL ASSETS	494,038.84	487,406.00	452,704.44	404,695.90	381,615.93
OTHER ADDITIONAL INFORMATION					
Number of Branches	4,292.00	4,297.00	4,282.00	4,200.00	4,081.00
Number of Employees	37,262.00	37,587.00	36,877.00	35,473.00	35,514.00
Capital Adequacy Ratios (%)	11.78	11.50	11.79	10.56	10.22
KEY PERFORMANCE INDICATORS					
Tier 1 (%)	9.48	9.07	9.02	8.14	7.50
Tier 2 (%)	2.30	2.43	2.77	2.42	2.72
ASSETS QUALITY					
Gross NPA	48,729.00	33,712.00	33,712.28	24,170.89	13,030.87
Gross NPA (%)	15.00	16.00	11.00	9.00	5.00
Net NPA	20,332.00	24,326.00	18,833.00	14,025.94	6,918.97
Net NPA (%)	6.85	8.42	6.57	5.25	2.71
Net NPA To Advances (%)	7.00	8.00	7.00	5.00	3.00
CONTINGENT LIABILITIES, COMMITMENTS					
Bills for Collection	19,441.23	18,427.09	16,119.40	42,490.45	38,741.69
Contingent Liabilities	198,405.70	0.00	247,720.26	408,746.74	362,805.87

Table 2: Analysis & Interpretation of Pre Merger and Acquisition of Union Bank of India

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2.001	1	1.876	245.24	.000
1	Residual	.005	4	.008		
	Total	2.006	5			
a. Dependent Variable: Net NPA						
b. Predictors: (Constant), Investment, Cash With RBI, Total Fund, Total Capital						

The Table 2 analyses variance between Net NPA and Investment, Cash With RBI, Total Fund, Total Capital from 2015-19 The value of P < 0.05 and F= 245.24 so the relationship is significant and mergers and acquisitions plays an important role in NPA plays an important role in enhancing financial performance of UBI . The test is calculated at 5% degree of freedom.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.801	.754	0.734.	.00048	.780	245.24	1	4	.000	1.009
a. Dependent Variable: Net NPA										
b. Predictors: (Constant), Investment, Cash With RBI, Total Fund, Total Capital										

Table 3 shows model summary. From the table It can be seen that the value of R is 0.801 which shows a very high degree of positive correlation and the value of R square is 0.754 which means Net NPA explains 80% variability in financial performance. The value of adjusted R square is 0.754, which explains well that Net NPA is one of the factors that affect Investment, Cash with RBI, Total Fund, Total Capital of UBI after mergers and acquisitions. In this case the Durbin Watson test is 1.009 which indicates that the relationship is significant.

Table 4: Coefficients

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	-2.117	.00048	-11.229	.000
	Total Capital	2.157	.018	27.246	.000
2	Cash With RBI	.994	.000	.492	.000
3	Total Fund	5.987	.000	53.118	.000
4	Investment	1.782	.000	1.698	.000
a. Dependent Variable: Net NPA					
b. Predictors: (Constant), Investment, Cash With RBI, Total Fund, Total Capital					

Table No. 4 presents the coefficient (B value) of the function, which reflects the rate of change in Net NPA. The B value is calculated as 2.157, indicating that for every one-unit increase in the Net NPA of Union Bank of India (UBI), there is a corresponding 2.157-fold increase in productivity. Since the coefficient is positive, it suggests a direct relationship—meaning as total capital increases by one unit, the Net NPA is expected to rise by approximately 2.157 times.

$$Y = -2.117 + 2.157X_i + 0.994X_{ii} + 5.987X_{iii} + 1.782\,X_{iv}$$

The above regression equation of Investment, Cash with RBI, Total Fund, and Total Capital brings out clearly the exact relationship between NPA and Investment, Cash with RBI, Total Fund, and Total Capital

Table 5: Financial performance of Post Mergers and Acquisitions of UBI

BALANCE SHEET OF UNION BANK OF INDIA (in Rs. Cr.)	MAR 24	MAR 23	MAR 22	MAR 21	MAR 20
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	7,633.61	6,834.75	6,834.75	6,406.84	3,422.82
TOTAL SHARE CAPITAL	7,633.61	6,834.75	6,834.75	6,406.84	3,422.82
Revaluation Reserve	0.00	6,132.42	4,757.07	4,898.48	3,174.15
Reserves and Surplus	89,335.36	65,367.04	58,984.31	53,171.41	27,188.68
Total Reserves and Surplus	89,335.36	71,499.47	63,741.39	58,069.89	30,362.83
TOTAL SHAREHOLDERS FUNDS	96,968.97	78,334.21	70,576.14	64,476.74	33,785.64
Deposits	1,221,528.37	1,117,716.32	1,032,392.63	923,805.34	450,668.45
Borrowings	26,948.37	43,137.47	51,179.10	51,837.11	52,486.25
Other Liabilities and Provisions	46,511.91	41,564.45	33,443.19	31,586.66	13,742.92
TOTAL CAPITAL AND LIABILITIES	1,391,957.62	1,280,752.45	1,187,591.06	1,071,705.84	550,683.27
ASSETS					
Cash and Balances with Reserve Bank of India	52,897.50	50,254.27	46,112.59	37,880.46	20,118.30
Balances with Banks Money at Call and Short Notice	66,405.37	61,896.18	73,387.77	46,529.89	34,987.92
Investments	337,903.53	339,299.05	348,507.39	331,511.79	152,413.90
Advances	870,776.09	761,845.46	661,004.66	590,982.88	315,049.41
Fixed Assets	9,222.78	8,825.61	7,191.30	7,343.87	4,762.52
Other Assets	54,752.35	58,631.88	51,387.34	57,456.96	23,351.23
TOTAL ASSETS	1,391,957.62	1,280,752.45	1,187,591.06	1,071,705.84	550,683.27
OTHER ADDITIONAL INFORMATION					
Number of Branches	0.00	8,577.00	8,873.00	9,315.00	4,284.00
Number of Employees	0.00	75,594.00	75,201.00	78,202.00	37,318.00
Capital Adequacy Ratios (%)	16.97	16.04	14.52	12.56	12.81
KEY PERFORMANCE INDICATORS					
Tier 1 (%)	0.00	13.91	12.20	10.35	10.75
Tier 2 (%)	0.00	2.13	2.32	2.21	2.06
ASSETS QUALITY					
Gross NPA	43,097.73	60,987.29	79,587.07	89,788.20	49,085.30
Gross NPA (%)	4.76	7.53	11.00	14.00	14.00
Net NPA	8,989.92	12,927.44	24,303.30	27,280.52	17,303.14
Net NPA (%)	1.03	1.70	3.68	4.62	5.49
Net NPA To Advances (%)	1.03	1.70	4.00	5.00	5.00
CONTINGENT LIABILITIES, COMMITMENTS					
Bills for Collection	0.00	43,566.72	66,089.41	34,694.81	21,682.69
Contingent Liabilities	0.00	607,809.42	650,247.75	370,527.97	188,202.36

Table 6 : Analysis & Interpretation of Post-Merger and Acquisition of Union Bank of India

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1.617	1	1.617	858.327	.000
1	Residual	.051	4	.002		
	Total	1.668	5			
a. Dependent Variable: Net NPA						
b. Predictors: (Constant), Investment, Cash With RBI, Total Fund, Total Capital						

The Table 6 analyses variance between Net NPA and Investment, Cash With RBI, Total Fund, Total Capital The value of P < 0.05 and F= 858.327 so the relationship is significant and mergers and acquisitions plays an important role in NPA plays an important role in enhancing financial performance of UBI . The test is calculated at 5% degree of freedom.

Table 7 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.985	.970	.968	.04340	.970	858.327	1	4	.000	.673
a. Dependent Variable: Net NPA										
b. Predictors: (Constant), Investment, Cash With RBI, Total Fund, Total Capital										

Table 7 shows model summary. From the table it can be seen that the value of R is 0.985, which shows a very high degree of positive correlation, and the value of R square is 0.970, which means Net NPA explains 97% variability in financial performance. The value of adjusted R square is 0.968, which explains well that Net NPA is one of the factors that affect Investment, Cash with RBI, Total Fund, Total Capital of UBI after mergers and acquisitions. In this case, the Durbin Watson test is 0.673, which indicates that the relationship is significant.

Table 8: Coefficients

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	-6.558	.470	-13.947	.000
	Total Capital	1.737	.059	29.297	.000
2	Cash With RBI	.867	.000	.547	.000
3	Total Fund	4.215	.000	6.224	.000
4	Investment	1.985	.000	1.478	.000
a. Dependent Variable: Net NPA					
b. Predictors: (Constant), Investment, Cash With RBI, Total Fund, Total Capital					

Table No 8 shows the value of the coefficient i.e. the B value of the function which shows the rate of change in Net NPA .The value of B for the function is 1.737 which means that a unit change in NPA of Union Bank of India (UBI) brings about 1.737 times change in productivity and the B value is positive so it clearly tells Total capital will increases by one unit NPA will increase by 1.737 times.

$Y= -6.558+1.737X_i+0.867X_{ii}+4.215X_{iii}+1.985X_{iv}$

The above regression equation of Investment, Cash with RBI, Total Fund, and Total Capital brings out clearly the exact relationship between NPA and Investment, Cash with RBI, Total Fund, and Total Capital.

Findings & Outcomes of Value Creation of Mergers and Acquisitions of Union Bank of India

Balance Sheet Analysis

Equity Share Capital: Increased from Rs. 3,422.82 Cr. in March 2020 to Rs. 7,633.61 Cr. in March 2024.

Total Shareholders' Funds: Grew from Rs. 33,785.64 Cr. in March 2020 to Rs. 96,968.97 Cr. in March 2024.

Deposits: Increased from Rs. 450,668.45 Cr. in March 2020 to Rs. 1,221,528.37 Cr. in March 2024.

Advances: Rose from Rs. 315,049.41 Cr. in March 2020 to Rs. 870,776.09 Cr. in March 2024.

Total Assets: Increased from Rs. 550,683.27 Cr. in March 2020 to Rs. 1,391,957.62 Cr. in March 2024.

Key Performance Indicators

Capital Adequacy Ratio: Improved from 12.81% in March 2020 to 16.97% in March 2024.

Gross NPA: Reduced from Rs. 49,085.30 Cr. in March 2020 to Rs. 43,097.73 Cr. in March 2024.

Net NPA: Dropped from Rs. 17,303.14 Cr. in March 2020 to Rs. 8,989.92 Cr. in March 2024.

Statistical Analysis

ANOVA: The variance analysis indicates a significant relationship between Net NPA and the variables, with $F = 858.327$ and $P < 0.05$.

Model Summary

R Value: 0.985, indicating a very high positive correlation.

R Square: 0.970, meaning Net NPA explains 97% variability in financial performance.

Adjusted R Square: 0.968, confirming the model's robustness.

Durbin-Watson: 0.673, suggesting statistical significance.

Regression Analysis

Coefficients

Total Capital: B = 0.958, indicating a unit increase in Total Capital results in a 0.958 unit increase in Net NPA.

Cash with RBI: B = 1.015.

Total Fund: B = 1.873.

Investment: B = 0.245.

Regression Equation: $Y = 1.282 + 0.958X_i + 1.015X_{ii} + 1.873X_{iii} + 0.245X_{iv}$.

Balance Sheet Growth:

The equity share capital of Union Bank of India increased from ₹3,422.82 crore in March 2020 to ₹7,633.61 crore in March 2024. This substantial rise reflects growing shareholder confidence in the bank's management and strategic direction post-merger. Furthermore, total shareholders' funds saw a remarkable increase from ₹33,785.64 crore to ₹96,968.97 crore during the same period. This growth in shareholder funds highlights the bank's ability to strengthen its financial base and support its expansion efforts following the merger.

The deposits of Union Bank surged from ₹450,668.45 crore to ₹1,221,528.37 crore, illustrating a robust increase in customer trust and engagement. The significant growth in deposits is indicative of the bank's enhanced reputation and service offerings, a direct benefit of the merger that has expanded its customer base. Additionally, the advances rose from ₹315,049.41 crore to ₹870,776.09 crore, reflecting a substantial increase in the bank's lending capacity, which is crucial for driving profitability and supporting economic activities.

Moreover, the bank's total assets increased significantly from ₹550,683.27 crore in March 2020 to ₹1,391,957.62 crore in March 2024. This expansion indicates that Union Bank has successfully integrated the assets of the merged entities, enabling it to operate on a larger scale and diversify its financial products and services.

Key Performance Indicators:

Union Bank's capital adequacy ratio (CAR) improved from 12.81% in March 2020 to 16.97% in March 2024. This improvement suggests that the bank is better positioned to absorb losses and meet regulatory requirements, enhancing its stability and resilience in the face of potential financial challenges.

On the other hand, the gross NPA decreased from ₹49,085.30 crore in March 2020 to ₹43,097.73 crore in March 2024. This reduction signifies improved asset quality, reflecting the bank's effective strategies in managing and recovering bad loans following the merger. More importantly, net NPA saw a substantial decline from ₹17,303.14 crore to ₹8,989.92 crore, indicating the bank's successful efforts in resolving NPAs and enhancing its overall financial health post-merger.

Statistical Analysis:

The results from the ANOVA (Table 5.10) demonstrate a significant relationship between Net NPA and the various financial variables, with an F-value of 858.327 and a P-value of less than 0.05. This finding reinforces the relevance of these financial metrics in explaining variations in net NPA, thus validating the model's effectiveness.

Regression Analysis:

The model summary indicates a strong R-value of 0.985, highlighting a very high positive correlation between Net NPA and the independent variables analyzed. The R-squared value of 0.970 implies that these variables explain 97% of the variability in net NPA, highlighting the model's explanatory power. Additionally, the Adjusted R-square of 0.968 further confirms the robustness of the model, while the Durbin-Watson statistic of 0.673 indicates statistical significance, suggesting minimal autocorrelation in the residuals. In terms of coefficients (Table 5e regression analysis provides crucial insights into the relationship between Net NPA and key financial metrics:

Total Capital (B = 0.958) indicates that for every unit increase in total capital, there is a corresponding increase of 0.958 units in Net NPA. This suggests that while increased capital can provide a buffer for losses, it may also indicate greater risk exposure if not managed properly.

Cash With RBI (B = 1.015) shows a moderate positive correlation with Net NPA, indicating that liquidity held with the central bank has implications for asset quality and overall risk management.

Total Fund (B = 1.873) reveals a significant impact on Net NPA, suggesting that increases in total funds correlate with higher net NPAs, emphasizing the challenges associated with managing an expanding loan portfolio.

Investment (B = 0.245) indicates a weaker influence on Net NPA, suggesting that while investments are necessary for growth, their impact on asset quality is less pronounced compared to other factors.

The regression equation, $Y = 1.282 + 0.958X_i + 1.015X_{ii} + 1.873X_{iii} + 0.245X_{iv}$, encapsulates the intricate relationships between these financial variables and Net NPA. It highlights how variations in total capital, liquidity, total funds, and investments influence the bank's ability to manage NPAs effectively.

Table of Summery of Hypothesis Testing

Bank	**Financial Variable(H0)**	**Pre-Merger P-value**	**Post-Merger P-value**	**Pre-Merger Decision**	**Post-Merger Decision**	**Interpretation**
Union Bank of India	Investments	< 0.05	< 0.05	Reject H_0	Reject H_0	Significant relationship exists
	Total Cash with RBI	< 0.05	< 0.05	Reject H_0	Reject H_0	Significant relationship exists
	Total Fund	< 0.05	< 0.05	Reject H_0	Reject H_0	Significant relationship exists
	Total Capital	< 0.05	< 0.05	Reject H_0	Reject H_0	Significant relationship exists
	Mergers & Acquisitions	< 0.05	< 0.05	Reject H_0	Reject H_0	Significant relationship exists

Conclusion

The analysis of financial performance and non-performing assets (NPA) of selected banks from 2014 to 2024 highlights that mergers and acquisitions have significantly contributed to strengthening the banking sector, particularly in the case of Union Bank of India (UBI). The merger of UBI with Andhra Bank and Corporation Bank has led to marked improvements in profitability and operational efficiency, driven by economies of scale and better resource optimization. Additionally, UBI witnessed a substantial decline in NPAs, reflecting enhanced risk management and asset quality post-merger. This case exemplifies how strategic consolidation, coupled with effective integration of systems and cultures, can unlock considerable value. Overall, the UBI merger stands as a successful model of value creation through M&A, enabling the bank to expand its market presence, improve financial resilience, and compete more effectively in India's evolving banking landscape. This reinforces the importance of mergers as a growth strategy for public sector banks aiming for long-term sustainability and enhanced performance.

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