

Causes of Fluctuations and Turbulence in Banking Mergers and Acquisitions

BY

Mohamed Amgad Mohamed Mousa

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Abstract

It is critical to look at the causes of volatility and instability in the banking merger and acquisition market in 2023. Accordingly, the current study aims to evaluate the pre-2023 state of banking mergers and acquisitions on a global level, identify the factors that led to decreasing levels of banking mergers and acquisitions during 2023, and outline future implications to rejuvenate levels of banking mergers and acquisitions in 2024. To achieve the study objectives, the researcher utilized the mixed method approach (quantitative and qualitative). Furthermore, a sample was taken from the study community using the simple random method, which included (370) individuals. The researcher constructed a questionnaire and an interview to outline the factors leading to fluctuations and turbulence within the banking merger and acquisition sphere in 2023 towards evading their consequences in 2024. Consequently, the study results showed that the overall mean of the third dimension, competitive analysis, came with a high response degree. However, the overall mean for the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023, came with a high response degree. Lastly, the overall mean for the dimensions of the second axis, future implications to rejuvenate levels of banking mergers and acquisitions, came with a high response degree. The study recommended establishing precise and up-to-date criteria for mergers and acquisitions and mandating thorough disclosures from all parties engaged in such transactions. Moreover, there is a need to regularly release data on industry trends and the dangers associated with mergers and acquisitions.

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CHAPTER 1: Introduction

Introduction

Restructuring the business's operations to close gaps and simplify opportunities for progress is one of the alternatives accessible to the owner in any organization that is not growing and shows signs of impending collapse. Restructuring entails re-engineering the company to perform better soon (Adeyinka, Emanuel & Daniel, 2015). The objectives of corporate restructuring are to increase profitability, dominate a certain sector, and acquire a competitive edge (Kumaraswamy, Ebrahim & Nasser, 2019).

In the modern, international business environments, competition is now a necessary notion for all businesses. They may employ a variety of strategies to thrive in this cutthroat market, maintain continuity, and achieve success. Among such strategies are growth and expansion using either internal or external paradigms. The company's resources and the profits from its activities support internal growth. External growth is maintained through various sorts of cooperation with other businesses. Mergers and acquisitions (M&As) are critical methods of external expansion, As a result of technological developments, globalization, and an intense business climate, they are increasingly being used as global strategies (Popovici, 2013).

M&As can be defined as important business transactions in which two companies merge to achieve particular corporate and strategic goals such as enhanced profitability, market dominance, and shareholder wealth maximization (Ngo, 2019). The driving forces for M&A deals are the use of economies of scale, profit maximization, competitiveness, synergy maintenance, qualified human resources attraction, new markets expansion, long-term capital gains, performance enhancement, risk reduction, and product diversity (Popovici, 2013; Fatima & Shehzad, 2014). Businesses that participate in M&A operations anticipate improved operating, financial, and overall performance following the merger. These expectations stem from the basic premise of M&A, which maintains

that both the acquirer and the target benefit (Gattoufi, Al-Muharrami & Al-Kiyumi, 2009).

Instead of going through the time-consuming process of internal expansion or diversification, companies that want to achieve quick growth in size, market share, or product diversity find a merger as a driver that facilitates the achievement of this goal through merging with an already-existing company. The merged business is more capable of increasing income and cutting expenses. Businesses can boost efficiency through M&As by reducing costs and increasing revenue. When two businesses merge, their product lines become more diverse, and as a result, customers of both businesses will profit from having more options for goods and services. M&A not only increases the company's customer base but also diversifies its offering of services (Meena & Kumar, 2014).

Strong and secure financial systems are necessary for a thriving economy. Therefore, actions must be taken to realign them for the best possible financial performance through a reform process meant to avert bank hardship (Amu & Chigbu, 2015). To survive in the cutthroat economic world, financial institutions must adopt strategies to stay up with shifting trends of fluctuations and turbulence. One of the most well-known tactics for adoption in these evolving corporate environments is M&A (Ullah & Abu Seman, 2018). Globally, bank mergers and acquisitions have become more and more common. They are frequently been influenced by policies aimed at reorganizing the banking sector in many emerging nations to increase financial system stability (Muhammad, Waqas & Migliori, 2019). Three categories may be used to classify the reasons behind bank mergers and acquisitions that have been noted by several authors represented in maximizing the bank's resources and return; attempting to fulfill the

management's aspirations; and elements that foster an atmosphere that is conducive to such transactions (Novickytė & Pedroja, 2015).

The examination of the variables that lead to mergers and acquisitions in the banking industry suggests that these transactions are motivated by a variety of factors, some of which change in tandem with economic cycles. It has been observed that banks commonly merge during recessions or crises, motivated by the goal of ensuring financial stability (even though this may be required by the government or a regulatory body). However, during periods of economic expansion, bank mergers, and acquisitions are typically the result of an attempt to maximize return and improve the well-being of shareholders. Smaller bank mergers may just be the first step in creating value that will help a prospective new bank establish itself in the market. Small bank consolidation makes it possible to grow the chain, get economies of scale, and make more money (Novickytė & Pedroja, 2015).

The 2023 financial crisis was triggered by an increase in interest rates, which exposed latent risks associated with certain banks' inadequate investment strategies, their inability to control interest rate risk, and the pessimism of investors throughout the crisis. The worldwide financial crisis of 2023 has several negative effects including a general decline in lending, a decrease in investor trust in the banking industry, difficulty in government borrowing, increased inflation, a loss of employment, and a decrease in consumer spending (Ozili, 2024). In terms of both extent and breadth, the banking upheaval that began in March 2023 is the worst banking stress on the system since the Great Financial Crisis (GFC). Despite having mostly different origins, the bank failures led to a wider loss of trust in the strength of financial markets, banking systems, and banks in several countries (Basel Committee on Banking Supervision, 2023).

According to the most recent research, banks (M&As) are among the strategies that can be adopted in response to the global financial crisis to reduce their effects (Ullah & Abu Seman, 2018; Fatima & Shehzad, 2014). Global M&A transactions dropped significantly in 2023. This decline can be linked to higher interest rates from central banks and more stringent lending standards put in place by lenders, which resulted in longer wait periods and lower acceptance rates. As a result, purchasers must contend with stricter regulations and greater transaction costs, and M&A transactions are closing more slowly or are even delayed (Smith et al., 2023).

Several significant variables have played a role in the M&A market downturn. A climate of continuously high interest rates poses a barrier to the financial industry making financing unaffordable for certain agreements. The M&A market has suffered as a result of 2023's persistently high inflation rates. Furthermore, the instability in the regional banking industry has made banks more cautious when it comes to taking on new business. Due to increased risk aversion on the part of lenders and purchasers because of economic uncertainties about the possibility of a near-term recession, deal activity in some sectors—particularly more cyclical ones—has declined (Murphy, 2023).

Statement of the Problem

Globally, there has been an increase in bank mergers and acquisitions (M&A), especially in emerging economies where the banking industry has been reorganizing due to measures meant to improve the stability of the financial system (AL-BINALI, 2023; AlMajid, 2021). The GCC nations have undergone a significant shift over the past three decades from an oil and gas-based economy to one that is more technology-based and allows for investor diversification in a variety of industries including real estate, healthcare, communications, tourism, and financial services. M&A is a relatively new

practice in the GCC that emerged in the GCC banking industry in the early 1990s (Kumaraswamy et al., 2019).

Following the 2014 oil price collapse, the Gulf Cooperation Council (GCC) countries have been heavily consolidating, as seen by the recent rise in the value of mergers and acquisitions (M&A). The six Gulf Cooperation Council (GCC) nations, which account for 79% of deal values and 73% of deal volumes in the Middle East and North Africa (MENA) area in 2018, have realized that M&A can help them overcome oil price collapse and achieve financial stability (Castlereagh Associates, 2019). The mergers and acquisitions (M&A) landscape of the Gulf Cooperation Council (GCC) industry has changed significantly in the last year. In the first nine months of 2023, M&A activity in the area decreased by 22% (Farraj, 2023).

It is recommended that regulators and politicians think about creating regulations that support banking industry consolidation in Qatar. Mergers and acquisitions may improve banks' performance, efficacy, and liquidity, which might ultimately benefit the whole economy (AL-BINALI, 2023). Selecting the best merger plan for Qatari banks is a crucial first step. This approach facilitates the efficient management of risks and leads to the achievement of long-term financial performance. Still, this process is influenced by a wide range of factors (AYSAN et al., 2023).

Compared to 2022, there was less M&A activity in 2023 because of worries about bank failures, interest rate fluctuations, and potential hazards in loan books. With returns under pressure, market circumstances impacting margins and profitability, and scale and consolidation being viewed as necessary remedies (Paul & Chopra, 2023). Inflation, interest rate increases, and geopolitical unrest contributed to a slowdown in banking and capital industry mergers and acquisitions (M&A) in 2023. A plethora of diverse economic

aspects are anticipated to impact the banking M&A forecast in 2024 (Deloitte Corporation, 2024).

The problem stems from the possibility that asset managers may face income difficulties if the M&A growth rate keeps declining through 2024 (Deloitte Corporation, 2024). Concerns over broader economic downturns have made many people think that their issues may not be resolved just soon. In fact, there have been hints that bankruptcies, company closures, and credit card firms' insolvency are only the beginning. Financial experts must understand a crisis's fundamental causes to effectively solve it. When they understand the underlying causes of a problem, they may identify its key components and take appropriate actions accordingly (Siregar, Rifai & Mariana, 2023).

Many financial experts believe that 2024 will see an increase again in M&A activity (Paul & Chopra, 2023), especially while keeping in mind that the payments industry is still very attractive to investors despite the persistent macroeconomic challenges and their effects on the M&A market. Traditional business models are being shaken by the emergence of platforms and integrated financing solutions, changing client needs, and intensifying competition. Digitalization is still a major strategic focus for banks and other financial institutions despite the economic slump as they strive to improve their market positions while meeting the increasing operational complexity and demands of their customers (Paul & Chopra, 2023). To prevent any repercussions in the upcoming years, it will be imperative to investigate the factors causing fluctuations and instability in banking M&A. It supports industry stability, enhances investor confidence, adjusts legislation, informs strategic planning, reduces risks, and draws lessons from the past. Through comprehension of these factors, interested parties may proactively mitigate the adverse effects linked to mergers and acquisitions and establish a more steady and robust banking industry.

Questions of the Study

The main questions of the study can be reviewed as follows:

1. What is the pre-2023 state of banking mergers and acquisitions on the global level?
2. What are the factors that led to decreasing levels of banking mergers and acquisitions during 2023?
3. What are the future implications for rejuvenating levels of banking mergers and acquisitions in 2024?

Objectives of the Study

The main objectives of the current study can be reviewed as follows:

1. Evaluating the pre-2023 state of banking mergers and acquisitions on a global level.
2. Identifying the factors that led to decreasing levels of banking mergers and acquisitions during 2023.
3. Outlining future implications to rejuvenate levels of banking mergers and acquisitions in 2024.

Significance of the Study

It is critical to look at the causes of volatility and instability in the banking merger and acquisition market in 2023. Accurate risk assessment by banks and other financial institutions is made possible by an understanding of the reasons behind fluctuations and turbulence. Banks can assess the possible effects on their operations, financial health, and general stability by determining the elements that lead to instability. As a result, they are more equipped to weigh the possible risks while making judgments on mergers and acquisitions. Banks can assess whether or not to pursue such transactions by learning more about the causes of volatility and turbulence to better match their merger and

acquisition strategy with the state of the market, the regulatory landscape, and critical success factors. Banks may reduce the effects of volatility and turbulence in the banking merger and acquisition space by addressing these factors and putting the appropriate mitigation measures in place. Stakeholders can obtain important insights and best practices by looking at previous occurrences and their outcomes. This information can help stakeholders manage future obstacles and steer clear of past errors by informing decision-making processes.

Methodological Procedures of the Study

There are three advanced research methods for conducting academic research namely mixed, qualitative, and quantitative methodologies (Creswell 2008). To achieve the study objectives and answer its questions, the researcher is going to adopt the mixed method approach. The human and organizational elements of banking mergers and acquisitions (M&A) may be studied with the use of qualitative research tools. Conducting in-depth interviews with key stakeholders involved in the M&A process can provide valuable insights that help understand their perceptions and experiences of the merger and acquisition, as well as their expectations, challenges, and the impact on their roles and responsibilities.

The quantitative research methodology employs numerical data to assess and analyze different components of the merger or acquisition. Conducting structured questionnaires can gather quantitative data from various stakeholders involved in the M&A process to mark the critical factors that led to decreasing levels of banking mergers and acquisitions during 2023. This method allows for the collection of standardized responses, enabling statistical analysis of the data. A greater understanding of the intricate dynamics involved in mergers and acquisitions can be facilitated by integrating both

qualitative and quantitative methodologies, which can offer a more comprehensive analysis of the issues to be discussed.

Both interviews and questionnaires will be applied to a random sample of executives, managers, and employees working at the Qatar Financial Markets Authority (QFMA) and different banks to have a closer look at their viewpoints regarding the factors that led to decreasing levels of banking merger and acquisition during 2023 and Outlining future implications to rejuvenate levels of banking merger and acquisition in 2024. The proposed questionnaire will use a Likert five-point scale with options ranging from strongly agree (5) to strongly disagree (1). The questionnaire will contain two main parts; the first part will be dedicated to demographic information, while the second part will deal with the main dimensions of the questionnaire. The interview will be undertaken using the structured style to ensure that all answers will serve the purposes of the current study. The SPSS (Statistical Package for the Social Sciences) will be used to undertake the statistical analysis of the information obtained from the completed questionnaires. A data reliability test, frequencies, and percentages were all included in the SPSS. The analysis of the interview questions will be conducted using thematic analysis that is based on MAXQDA software.

Structure of the Study

The study will be organized into five chapters as follows:

- **Chapter One** presents an overview of the study by providing an introduction to the topic and showing the questions and objectives of the study. The methodological procedures and the organization of the study have also been illustrated.
- **Chapter Two** will review the literature on banking mergers and acquisitions, the pre-2023 state of banking mergers and acquisitions on a global level, and the

factors that led to decreasing levels of banking mergers and acquisitions during 2023. A special focus will be given to discussing this issue in the State of Qatar.

- **Chapter Three** will provide an overview of the methods employed in the study. This chapter discusses the study approach, design, sample and community, the tools, data collection methods, and data analysis techniques.
- **Chapter four** will include the results of the data analysis processes. This chapter will examine the demographic aspects of the respondents' profiles, provide descriptive statistics for the research variables, and discuss the responses of the study sample regarding the questions of the study.
- **Chapter Five** will provide a discussion of the research findings and present the theoretical and practical implications.

CHAPTER 2: Literature Review

Introduction

The financial sector is crucial for the economy, offering services like intermediation, capital allocation, risk management, and payment systems. However, it faces risks like systemic risk, market volatility, credit risk, regulatory and compliance issues, and technological disruptions. Systemic risk refers to potential system failures, while market volatility affects investment decisions and risk management strategies. Financial institutions must adapt to these disruptions and use technology to improve efficiency and risk management.

Nwamaka et al. (2017) indicated that the financial sector includes wholesale, retail, formal, and informal institutions that provide financial services to individuals, corporations, and other financial organizations. The financial sector includes banks, stock exchanges, insurers, credit unions, microfinance organizations, and moneylenders. Financial globalization refers to cross-border financial flows that develop more global links.

In this sense, the financial sector transfers deposits and loans from the surplus to the deficit side. The financial industry promotes long-term economic growth. It mobilizes savings and directs them into productive industries. This leads to more effective resource allocation and higher output. It improves product and service delivery, risk management, and payment processes. It also provides access to various tools, like insurance packages and information, to support commercial transactions. Financial development boosts growth by boosting capital accumulation efficiency and marginal productivity (Bakar & Sulong, 2018).

On the other hand, the financial crisis affects the global economy, altering economists' ideas and regulations. The devastating repercussions impact all economic sectors and challenge traditional policy measures. During normal economic conditions, mergers and acquisitions are subject to restrictions and trends. During recent crises, mergers and acquisitions reveal different attitudes and patterns in financial organizations. Data on bank mergers and acquisitions is collected from authorized sources and analyzed during crisis times (Hasan, 2022).

In this context, the global banking sector has seen major changes during the last 40 years, including regulation, deregulation, globalization, consolidation, privatization, and financial crises. Most recently, financial liberalization in emerging markets (EMs) and the global financial crisis have had a substantial influence on global bank market share, with big US banks failing and banks in Asia and Latin America purchasing European financial institutions (Rao-Nicholson & Salaber, 2016).

The 1990s also saw a significant phase of consolidation in the banking sector because of financial liberalization and globalization. The recent global financial crisis has exposed the negative aspects of financial innovation and deregulation, resulting in significant bank failures in industrialized nations. Furthermore, this effect has also expanded to emerging nations. In the current era of intense competition in the business world, financial expansion, technological advancement, structural changes to the financial system, and increased demand for financial goods, financial institutions must adapt their business strategies to address a multitude of challenges. To stay afloat in the cutthroat economic world, financial institutions must adopt strategies to keep up with these shifting trends (Ullah & Abu Seman, 2018).

Moreover, banks are crucial for a nation's economy and need reform to prevent distress. In India, the banking sector is part of the government's strategic agenda to integrate it into the global financial system. The sector has undergone significant changes in institutions, ownership structure, and operations. Banks are financial institutes authorized by the state or central government to accept deposits, give loans, and invest in securities. To remain efficient and succeed in the global arena, various strategies have been adopted, including consolidation of banks, such as mergers and acquisitions. The main motive behind these mergers and acquisitions is to achieve economies of scale and scope, diversify products, and reduce risk (Singh & Das, 2018).

Additionally, a banking merger can enhance efficiency, market presence, risk management, access to new markets, and profitability. By combining resources, systems, and operations, it can achieve cost savings, reduce duplication, and improve efficiency. Mergers can also increase the entity's scale, enhancing its bargaining power and competitiveness. They can diversify risk portfolios and reduce exposure to specific sectors. Additionally, mergers can expand market share, diversify product offerings, improve operational efficiency, and eliminate duplicated functions. Both mergers and acquisitions can lead to increased revenue, cost savings, and higher returns for shareholders (Gallo, 2023).

Furthermore, mergers and acquisitions are popular strategies for increasing efficiency by acquiring additional banks and reaping profits. In times of economic instability, mergers and acquisitions may serve a different purpose. Bank mergers are a cost-effective solution for distressed banks during crises. Merger and acquisition transactions are expected to diminish as authorities promote them as a temporary solution to extreme situations. This was demonstrated in recent crises. Merger and acquisition transactions decline when active banks fail, liquidate, or nationalize, resulting in fewer merger-ready institutions (Hasan, 2022).

Therefore, the finance sector's primary motives for mergers and acquisitions (M&A) include cost savings and revenue enhancement, as well as economies of scale and economies of scope. These deals benefit from the diversification of income from multiple products, client groups, and geographies. Strategic drivers for M&A activity include advances in information technology, financial deregulation, and globalization of financial and real markets. Technological developments have enabled financial service firms to offer a wide array of products and services to clients across different geographic areas. The removal of legal and regulatory barriers has led to financial industry consolidation through cross-border merger and acquisition activity. Over 10,000 financial firms were acquired in industrialized nations between 1990 and 2001 (Kumar & Kumar, 2019).

Based on the aforementioned, the researcher indicated that M&A in the banking sector is driven by a variety of strategic motives, including the pursuit of efficiency, enhanced market presence, and improved risk management. Through consolidating resources and operations, banks can achieve significant cost savings, streamline functions, and increase their competitiveness in an ever-evolving financial landscape. Nevertheless, M&A activity can provide immediate benefits, especially during economic instability, it also faces challenges during crises when distressed banks may not be viable candidates for acquisition. The ongoing trends in technological advancement, deregulation, and globalization continue to shape the M&A landscape, allowing financial institutions to diversify their offerings and expand into new markets. As the industry adapts to these changes, the primary objectives of cost reduction, revenue enhancement, and operational efficiency will remain central to the strategic decisions of banks. Overall, while the future of M&A activity may fluctuate with market conditions, its role as a key strategy in the finance sector is likely to persist.

Research Gap

Numerous paths could be taken by future research. Darayseh and Alsharari (2023) investigated if the factors influencing banks' M&A are the same in other GCC nations by expanding the study's scope. Second, the study looked at other nonfinancial features that are unique to banks, like corporate governance, management incentives, and other market features. Third, the study examined the reasons UAE banks acquire global banks and vice versa. Regarding the likelihood of differences in acquisition motives, there might be a lot to learn.

In addition, Maani and Rajkumar (2024) analyzed M&A in the banking sector using bibliometric analysis to determine their technical justifications, importance, and outcomes. The study has a few shortcomings. The sources from which the datasets were taken are listed first. One element that affects overall accuracy is this. The datasets required for this study were obtained via the Scopus database. However, some of the best research on mergers and

acquisitions in the banking industry may not have been included because just one scientific database was used. Many reputable sources, including the Web of Science, might be added to Scopus to collect a sizable amount of research on mergers and acquisitions in the banking industry. It might improve the findings' generality, accuracy, and trustworthiness. Furthermore, this research encompassed studies on mergers and acquisitions in the banking industry from 1994 to 2022 and only used one database. Before 1994, there may have been studies that made a significant contribution to this body of knowledge.

M&A in the banking business requires careful evaluation of several factors. The study of Lootah, Al Tamimi, and Zervopoulos's (2024) goal was to be country-specific, which is the UAE, and to focus on M&A that occurred in specific banks over the last 15 years. Reflecting on the impact of M&A on the country's banking system. It is linked to the fact that data reveals that the pre-merger period and the transaction are less concerned with how the factors contribute to mergers and acquisitions' success or failure. In other words, a reflection on the post-merger effect and its responsibilities to the banking industry.

In future research, the researcher will perform the computations with the goal of lowering the lower limit of the M&A volume that will be included in the studies. In future analyses, the researchers will evaluate the length of time in the monetary union, as well as other independent variables (Vozárová et al., 2023).

The current study aims to evaluate the pre-2023 state of banking mergers and acquisitions on a global level, identify the factors that led to decreasing levels of banking mergers and acquisitions during 2023, and outline future implications to rejuvenate levels of banking mergers and acquisitions in 2024. This sheds light on the uniqueness of the current study although there are a plethora of studies related to M&A in the GCC. For instance, Grassa et al. (2024) examined what influences the long-term ability of publicly traded enterprises in the UAE to manage opportunities and disruptions connected to environmental, social, and

governance (ESG) issues. A forward-looking, cross-sector study of an entity's potential for success in the future is provided by the assessment of companies' long-term preparation. The purpose of this study was to close this gap by investigating the relationship between ownership structure and corporate governance and a firm's preparedness for ESG issues. This study explicitly examined the ownership and corporate governance structures that have a substantial impact on UAE-listed companies' ability to successfully prepare for and respond to long-term ESG risks and opportunities. It did this by utilizing S&P Global Ratings' ESG rating.

Additionally, the research motivates a special gap by investigating how M&A affects the performance of banks and the economy. As a result, Hashmi and Latip (2024) looked at how leadership philosophies affected M&A performance in the UAE banking sector. This led to an increase in the significance of M&A in academic research. The current study believes in the importance of M&A in the development of the nations. Consequently, there is a gap in showing the factors that affect the decreasing levels of banking mergers and acquisitions. On the other hand, Lootah, Al Tamimi, and Zervopoulos (2024) investigated the positive effects that increase the efficiency of M&A in the banking sector.

In addition, Elmassri, Elrazaz, and Ahmed (2024) investigated the impact of corporate leverage on various M&A deal decisions in the context of the United Arab Emirates (UAE), building on a wealth of literature on the factors that drive M&A activities by using M&A information for the years 2005–2022 from the Thomson One database. This covers a specific research gap related to the analysis of M&A processes and procedures in banking sectors. Nevertheless, the current study investigates a wider research gap including the global and GCC levels, which sheds light on the significance of the current study.

Based on the aforementioned, this research aims to avoid repercussions in the next years; it is critical to investigate the variables producing swings and instability in banking M&A. It promotes industry stability, boosts investor confidence, modifies legislation, informs

strategic planning, mitigates risks, and learns from the past. Understanding these characteristics enables interested parties to proactively limit the negative consequences of mergers and acquisitions, resulting in a more stable and robust banking market.

Overview of Banking Merger and Acquisition in 2023

The banking industry is essential to the global economy because it facilitates economic growth, offers financial services, and maintains the integrity of the financial system. One of the most dynamic industries is banking, as financial organizations work nonstop to gain a competitive edge over one another. To increase lending capacity, better monitoring and control, increase financial leverage, increase market share, upgrade technology, expand, and diversify, all areas of an organization's efficiency must be improved. These areas include operational performance, financial performance, managerial performance, employee performance, profitability, and reduction of bankruptcy. Mergers and acquisitions (M&A) is one such successful approach where banks combine their operations through an acquisition or merger to accomplish strategic goals. M&A is a strategic tool for consolidating banks and financial institutions, enhancing revenues, operations, and financial stability (Maani & Rajkumar, 2024).

Mergers and acquisitions (M&As) are also crucial decisions for expanding companies' growth and development. The decision-making process primarily focuses on the variability of securities returns, systematic risk, and minimal association with trading volume and returns. Markets are efficient, as prices adjust quickly to public news releases, but announcements decrease information asymmetry and uncertainty for future rewards. The efficiency of a firm's contracting activities depends on underlying uncertainty about future outcomes. The first great merger movement began in the late 19th century, with small firms consolidating to form large firms dominating the market. In 1900, a merger acquired nearly 20% of the nation's GDP, and nearly 1,800 firms disappeared after the merger. One major factor of the great merger movement was maintaining high prices to attract firms and maintain profitability. The

economic history of M&As can be divided into merger waves based on business activities. From 1985 to 2018, M&As occurred globally, particularly in the banking sector (Khan & Zia, 2019).

In addition, merger control regulation has significant economic effects on bank mergers, even if not directly targeted at the banking sector. Target announcements increased for mergers involving control shifts after changes in merger legislation indicated increased profitability. This reduces the propensity for mergers to create too big-to-fail banks in their countries. Mergers and acquisitions in the banking sector continue to attract attention, as they determine the banking landscape for years to come. The consolidation wave in the banking sector during the 1990s created the market structure that led to the 2007 financial crisis. However, merger control, an important part of antitrust policy, is often overlooked alongside concerns over financial stability.

In this sense, bank M&A activity has been declining since the pandemic began, with only 98 mergers completed in 2023 compared to over 200 in 2021. However, signs of recovery are emerging, and CEOs predict an increase in bank consolidation this year. The Department of Justice has warned about redlining activity in M&A deals, as First National Bank of Pennsylvania agreed to a settlement to resolve allegations about its mortgage operations in North Carolina. Bank M&A is expected to rebound once rates are rising and the economy is stable, with smaller sellers joining larger banks to create more efficient digital offerings. Recent regulatory changes increase the level of capital banks must sustain to guard against possible losses (Dockerty, 2024).

Thus, in 2023, the M&A space faced challenges due to market volatility and macroeconomic conditions, leading to a decline in activity to its lowest level in ten years. However, several notable deals emerged, such as Broadcom's $69 billion acquisition of VMware, Pfizer's $43 billion acquisition of Seagen, and Amgen's $27.8 billion acquisition of

Horizon Therapeutics. ExxonMobil's $59.5 billion acquisition of Pioneer Natural Resources is the largest M&A deal in 2023, indicating potential for continued growth and consolidation. ExxonMobil's Permian Basin production volume is set to double upon completion, reaching 1.3 million barrels of oil equivalent per day. Chevron Corporation plans to purchase Hess Corporation in an all-stock transaction valued at $53 billion, expected to accelerate production and free cash flow. Cisco Systems plans to acquire Splunk in a $28 billion deal, focusing on AI, security, and observability capabilities. These deals suggest a potential resurgence in M&A activity in 2024 (Tague, 2024).

After the previous review, the researcher highlights that historically, mergers and acquisitions have had a substantial impact on the banking business. The first major wave of mergers occurred in the late nineteenth century, resulting in the establishment of giant corporations that controlled market share and contributed significantly to the nation's GDP. The COVID-19 pandemic has presented new hurdles to the M&A market, resulting in a significant drop in activity—only 98 mergers occurred in 2023 compared to nearly 200 in 2021. These changes point to a potential resurgence in M&A activity in 2024, fueled by changing market dynamics and the need for efficiency in digital products. While the banking sector faces challenges in the present financial environment, mergers and acquisitions continue to be strategic imperatives. As banks adjust to changing circumstances, the consolidation tendency affects the future of the financial landscape.

Definition and Scope

Mergers and acquisitions are complicated strategic tools that businesses use to improve their market presence, streamline operations, and drive growth. Understanding their definitions and scope is critical for all stakeholders participating in the process, including management, investors, and regulatory agencies.

Over the past few decades, M&A has become a strategic instrument for businesses to expand their product portfolios, penetrate new markets, and purchase new technologies. These decisions are often crucial to an enterprise's strategy, with immediate financial implications but also significant long-term development and survival consequences. Banks have sought expansion through M&A waves, starting in the US and Europe and spreading to other countries worldwide. Most studies focus on the US, as it was the first country to witness M&A in the late 19th century. Some studies have also examined M&A in Europe, particularly after the consolidation of European economies and currency unification (Singh & Das, 2018).

In this context, banking mergers and acquisitions are the consolidation and integration of banks and financial institutions through various types of transactions, such as mergers, acquisitions, amalgamations, or takeovers. These deals include the merger of two or more banking institutions into a single, bigger institution, or the acquisition of one bank by another. Banking mergers and acquisitions include a wide variety of activities in the financial industry.

In addition, mergers and acquisitions are common in the banking industry to expand market share and increase profitability. These processes combine resources like skills, management systems, equipment, processes, and procedures to boost productivity. This increases shareholder value and earnings per share. Mergers also expand an organization's capital base, providing access to more resources and credit facilities, and ensuring liquidity throughout the year. This enhances operational stability and customer satisfaction. In return, profits may rise in the short and medium term, while the organization increases the chances of growth and expansion in the long term. Customer loyalty, characterized by trust, confidence, and admiration for the organization's products, is an immeasurable asset to any business (Joash & Njangiru, 2015).

Further, mergers occurred in three waves: multinational takeovers in the 1960s, aggressive takeovers in the 1980s, and worldwide takeovers in the 1990s. Historically, most

mergers and acquisitions occurred in the US and UK. Extensive studies have been conducted to determine if acquisitions are lucrative or reduce shareholder value. Studies show that mergers have mixed results for shareholders (Dilshad, 2013).

On the other hand, in the banking industry, a merger is the coming together of two or more financial organizations to form a single business. One bank can absorb another into another, or two or more banks can combine to form a new firm, to form a new organization. This is a calculated strategy meant to yield several advantages, such as lower expenses, a larger portion of the market, a more devoted clientele, and more profitability. In the banking industry, a transaction when one bank purchases another bank or financial organization is referred to as an acquisition. The acquiring bank assumes control of the target bank's operations, liabilities, and assets in this transaction (Gallo, 2023).

Additionally, mergers and acquisitions are crucial strategies for organizational growth and development in today's competitive business environment. They aim to increase sustainability and profitability while reducing competition and gaining a competitive advantage. In the banking sector, mergers and acquisitions can enhance operational activities, growth opportunities, and operational efficiency. In Hong Kong, these strategies are increasingly used to minimize operational risk and improve business performance. In conclusion, mergers and acquisitions are essential for organizations to maintain sustainability and profitability in a competitive market. Acquiring potential start-ups, small organizations, and innovative organizations can improve efficiency and productivity, ultimately leading to better customer service (Kumar, 2019).

In a related context, a merger is a specific action in which organizations unite and exchange resources to accomplish common goals. In a merger, two businesses unite to establish a third company, with the merging firms' owners remaining joint proprietors of the new organization. An acquisition is a transaction in which one company acquires a controlling stake

in another company, a legal subsidiary of another company, or a portion of another company's assets. This might include purchasing another company's assets or equity. Purchasing all of the assets rather than stocks or shares of the selling company will avoid the possible issue of being a minority stakeholder. However, the costs of moving assets are typically considerable (Singh & Das, 2018).

Moreover, the banking industry has undergone significant transformation due to intense merger and acquisition (M&A) activity. Increased advantage in M&A activity increases the chances of being an acquirer or a target. Banks with skilled managers with higher advantages are more profitable and have the resources to make acquisitions. Lower-capitalized banks are cheaper to acquire and banks with lower liquidity levels are more likely to become targets. Bigger and faster-growing banks are more likely to be acquirers, as post-deal integration costs decrease with acquirer bank size. Acquirers are successful, reasonably diversified banks that leverage profits and pursue growth strategies through acquisitions (Beccalli & Frantz, 2013).

The majority of banks merged or acquired other banks to increase profitability by expanding their market share. These mergers and acquisitions increased shareholder value by increasing demand, price, and earnings per share. They significantly improved the profitability of banks, increasing market share, gross profit, and net profit, and increasing the number of account holders (Joash & Njangiru, 2015).

Thus, the organization adopts a structured approach to the M&A process, setting metrics for evaluating targets and actively searching for potential targets. Key criteria include business strategy, potential synergies, market availability, scale of activities, geographical location, technology, market growth potential, and business and culture fit. The type of merger should be prioritized, with bottom-trawlers; bolt-ons, line extension equivalents, and consolidation mature having over 50% success rates. The firm should conduct comprehensive due diligence and objectively evaluate synergies. Post-merger, the organization assesses the

deal's success or failure, considering shareholders' perspectives. Key success factors include merger segmentation, acquisition type, timing, APP, effective integration, economic certainty, and accurate target valuation (Kayombo, 2019).

The researcher added an analytical overview for the previous review, which indicated that M&A has become a critical strategy for banks looking to expand their market presence, optimize operations, and achieve long-term growth. The urge to innovate, save expenses, and minimize competition frequently drives strategic M&A decisions. As banks manage the difficulties of the financial sector, acquiring smaller enterprises or startups can result in increased operational efficiency and improved service delivery. However, the success of these mergers depends on comprehensive due diligence, strategic alignment, and effective post-transaction integration. Finally, effective execution of M&A strategies can result in greater shareholder value and long-term viability, emphasizing the significance of these transactions in the evolution of the banking industry.

Trends and Statistics

The global economic crisis has had varying impacts on domestic economies due to global integration. The critical phase is to recover the entire economy by altering economic policies to avoid negative impacts on all sectors. Banks are under rigorous stress due to their economic roles, and unless they participate in crisis initiation, they may develop catastrophic consequences. Most mergers and acquisitions (M&A) processes achieve benefits like cost efficiency, economics of scale, and new expertise. Post-crisis M&A transactions aim to enhance the strength of new banks, mainly spread throughout the US and European banking systems. Acquiring a run-in distressed bank is risky and may lead to the acquirer's failure. Previous studies have focused on single countries or geographically related countries, not providing a global framework for M&A behavior (Hasan, 2022).

In this context, M&A activity has surged globally since the turn of the century, particularly in Asia and Europe. The scale and geographic dispersion of acquisitions made in Europe during this round of mergers have made them especially noteworthy. For the first time, the amount of M&As by European corporations has surpassed that of their US counterparts, indicating that Europe has emerged as a desirable market for international investors (Moschieri & Campa, 2014).

M&As, or mergers and acquisitions, are also a significant factor in the contemporary financial and economic landscape. M&As are becoming an increasingly attractive business strategy, boom or recession. The largest firms in the world today are all the result of several mergers and other restructuring initiatives. The easiest way for businesses to enter new markets and acquire new skills and resources is still through acquisitions. From $200 billion in 1992 to over $4.74 trillion in 2017, the value of M&A deals increased. More than $12 trillion worth of deals were made during the unprecedented M&A surge that occurred between 1995 and 2000 (Kumar & Kumar, 2019).

Additionally, M&A is a strategic approach for banks to adapt to changing businesses, with efficiency theory stating that the main goal is synergy. However, necessity also plays a role in M&A. In cases where a bank is unable to compete or maintain common equity, M&A may become necessary rather than acquiring synergy. This can lead to mergers or acquisitions by matured financial institutions. Today's business is not limited to domestic markets, as efficient financial institutions often broaden their market through foreign direct investment (FDI), creating a direct or indirect external or spillover effect on bank performance. Bank M&A activities have grown rapidly due to global financial crises, financial deregulation, and market competition (Ullah & Abu Seman, 2018).

Further, mergers and acquisitions play a crucial role in corporate finance, helping organizations accomplish diverse goals and financial plans. Banks have been combining to

improve their financial performance. Mergers and acquisitions have made news in the past as well as now. They are well-regarded and promoted globally. Merger and acquisition activity has been observed in several industries, such as banking and insurance, oil, gas, and power. US corporations spent almost 1.7 trillion dollars on mergers and acquisitions in 2000 (Joash & Njangiru, 2015).

In this sense, the first merger wave occurred between 1890-1905, resulting in the disappearance of around 1800 firms, including major companies like General Electric, Eastman Kodak, American Tobacco, and DuPont. The second wave occurred in the 1920s, characterized by market crashes and World War I, disintegrating around 12,000 firms. The third wave, also known as the conglomerate merger movement, involved unrelated mergers to diversify into new product markets. The fourth wave occurred in the 1980s, marked by hostile takeover activity and the rapid growth and decline of leveraged buyouts. The fifth wave, strategic mergers, occurred in the 1990s, characterized by the advancement of new technologies and globalization of products, services, and capital markets, focusing on core competencies as a competitive advantage (Kumar & Kumar, 2019).

In addition, the researcher indicates that the increasing value of mergers and acquisitions, from $200 billion in 1992 to more than $4.74 trillion in 2017, emphasizes their importance in aiding market entry, obtaining new technology, and generating economies of scale. From early-twentieth-century consolidation to strategic mergers in the 1990s, each phase shows firms' evolving ambitions for growth and stability. As banks handle the challenges of modern finance, mergers and acquisitions will continue to shape the industry. By carefully associating with other organizations, banks can improve their financial performance, broaden their market reach, and ultimately attain better resilience in an ever-changing economic climate. The future of M&A in banking will most likely be impacted by continuous regulatory reforms.

Factors of Fluctuations and Turbulence

Banks can experience fluctuations and turbulence due to a variety of internal and external variables. Here are several main factors:

- **Economic Factors**

Economic factors play a key effect in banking volatility. Factors such as changes in interest rates, inflation, unemployment rates, and overall economic development can affect the profitability and stability of banks. For example, a rapid increase in interest rates can raise borrowing costs for people and businesses, affecting loan demand and potentially slowing lending activity.

In this context, international conflicts have significantly impacted global economics, testing the resilience of major economies and putting pressure on central banks to adjust their monetary policies. This has influenced bond and currency performance, prompting investors to refine their forecasts. Factors such as the economic structure, monetary policy framework, and exchange rate regime influence the spread of inflationary pressures. Energy-dependent economies like the Eurozone, the UK, and Japan have experienced inflationary pressures and risks from price volatility and supply disruptions. Emerging markets have shown resilience due to diversified economic structures and the absence of oil supply disruptions caused by sanctions. The QuantCube Headline CPI Nowcast analysis reveals a nuanced narrative for each country from 2020 to the present. (QuantCube Technology, 2024).

In addition, the global financial crisis highlighted the importance of the banking system for growth, as failure can lead to resource shortages, loss of faith in savings, investment decline, and misallocation of scarce resources, resulting in stagnation, unemployment, and poverty. The World Bank and IMF have noted that the relationship between the banking system and economic growth is nonlinear for developed countries but linear for emerging countries (Zeqiraj et al., 2020).

Furthermore, the financial crisis has a beneficial and considerable influence on the productivity of the banking industry. Despite the worldwide crisis, the banking industry's productivity growth continued. GDP and inflation have a negative and strong correlation with productivity increases in the banking industry. Stock exchange listing has a considerable beneficial impact on productivity growth. Bank size, diversification strategy, and profitability have no meaningful link, but expenses have a negative correlation. Bank origin shows no significant correlation, whereas ownership shows a favorable association (Sharma & Sharma, 2015).

Using the predictive performance of financial turbulence and systemic risk over stock market volatility in emerging and advanced economies, the two indicators provide a unique perspective on market conditions, as they relate directly to portfolio performance metrics from both volatility and co-movement perspectives. They can be integrated into diversification models within forecasting and portfolio design settings. Incorporating the two financial indicators improves the predictive performance of stock market volatility models over both short and long horizons. The financial turbulence indicator outperforms the measure of systemic risk, captured by the absorption ratio, in predicting future returns. Financial indicators can be utilized for forecasting purposes, with significant implications for dynamic portfolio allocation strategies (Salisu, Demirer & Gupta, 2022).

Therefore, Naeruz et al. (2022) indicated that the nominal interest rate plays a crucial role in financial developments, as it influences the increase of real interest rates. Without a ceiling, the nominal interest rate may adjust to inflation. A small nominal interest rate reduces economic savings and increases investment, which in turn affects income. The demand for goods depends on the interest rate, as it indicates investment financing. Healthy investment increases production and future income. Technology like mobile phones, the internet, Litecoin,

and Ethereum are strongly related to financial technology, real interest rates, GDP, inflation, financial development indices, and stock market indices.

- **Regulatory Factors**

A downturn in national economic performance can lead to lower revenue for businesses and communities, limiting access to third-party funding and bank financing. There is a favorable reciprocal relationship between third-party deposits and bank lending. Economic volatility has a major negative impact on deposits but not on financing. This instability mostly decreased profit-sharing deposits. This economic scenario negatively impacts receivables contracts but not profit-sharing finance. Banks require sufficient third-party funding to enable expansion (Lutfi, 2023).

In this sense, the crisis's impact on global financial integration has primarily been centered on the behavior of large banks, which were the primary drivers of global financial integration before the crisis. The need to restore balance sheets, meet capital requirements, and strengthen banking systems has led many banks to reduce their international operations, highlighting the need for regulatory changes to strengthen banking systems (Claessens & Van Horen, 2015).

Bank failure is also influenced by factors like capitalization, asset structure, funding strategy, loan portfolio composition, asset quality, and income structure. These characteristics vary by holding company structure, charter type, and degree of fragility. De novo banks and those part of a single-bank holding company are more likely to fail, while banks part of a multibank holding company are less likely. Charter type and being publicly traded have little direct impact on bank failure, suggesting their influence is due to their influence over a bank's operations. De novo banks and those that grew substantially before the crisis face an increased likelihood of failure compared to established banks. Capital levels do not play a key role in the

likelihood of failure in de novo banks, independent banks, and banks part of a multibank holding company (Lu & Whidbee, 2013).

Thus, capital adequacy ratios below certain thresholds may trigger corrective actions in some countries. Supervisors may temporarily reconsider these actions if the legal framework allows. As the crisis subsides, banks should submit a medium-term capital restoration plan that gradually increases capital, considering market uncertainty and their ability to raise capital. Close supervisory monitoring ensures banks meet capital targets while maintaining a sound financial condition. If the crisis has long-term implications, supervisors should collaborate with governments to consider additional actions to support the financial system (Awad et al., 2020).

- **Market Factors**

The financial crisis of 2007-2009 and market instability in 2011 prompted a discussion on how to model financial markets and foresee economic catastrophes. Academics and practitioners recognize that the parameters in their models change with time. For instance, during crises, the correlation between markets might grow dramatically. However, the financial crisis was not the only tumultuous period in the history of financial markets. Famous instances include Black Monday (1987), the Gulf War aftermath (1990), the Asian financial crisis (1997), the Russian financial crisis (1998), and the dotcom bubble implosion (2000) (Hauptmann et al., 2014).

In this context, rapid technological advancements have transformed relationship management in banking, making it a crucial pillar for every successful firm. To gain a competitive edge, organizations are focusing on the client rather than the service/product. Market turbulence has a significant impact on corporate performance, particularly in the banking industry. Customer relationship management strategies, such as customer focus, knowledge management, and relationship marketing are influenced by market intelligence and consumer preferences. CRM techniques favorably affect organizational performance. Market

instability might negatively affect the relationship between CRM strategies and bank performance. Marketing managers consider environmental modifications while using CRM techniques to build strong customer relationships. Therefore, management may properly comprehend customers' wants (Abrar et al., 2019).

Market turbulence is caused by an unpredictable economy, changing customer demands, and emerging technologies. Consumers and innovative technologies are the key drivers of this new industry. Customers want innovative and time-saving goods and services with expanded variety, faster lead times, and distinctiveness at a lower cost (Mascarenhas, 2018).

Further, the turbulence in the financial markets may make it harder for bankers to acquire deposits from people. When bank assets provide negative returns, creditors become anxious about the safety of their finances. As a result, they may overestimate the likelihood of a bank failure in the future and take emergency cash out of banks. The banks' balance sheet positions worsened as a result of declining asset values and rising bank borrowing costs, which alarmed depositors and made them anxious. The primary problem facing the banks was not liquidity but rather their insolvency as a result of a high percentage of non-performing loans. The supervisory authorities of the banks may react to this emergency by providing liquidity support, intervening in government policy, guaranteeing good governance, and capping the amount of withdrawals (Al Mosharrafa, 2023).

Thus, stock market index returns are strongly influenced by prior values, indicating short-term predictability in stocks. The exchange index has changed. A one-period lagged return on price, inflation, and exchange rate has a major impact on stock exchange returns. The stock exchange has seen increased volatility due to the volatile macroeconomic climate. Price shocks and exchange rate variations play a significant role in stock market index changes. Improving stock exchange volatility control and implementing efficient rules can help the

market contribute significantly to the national stock exchange volatility control and implementing efficient rules can help the market play a larger role in the economy (Abdalla & Zakaria, 2017).

In conclusion, the researcher analyzes the previous review and sheds light on specific factors regarding the fluctuations and turbulence as follows:

1- **Economic circumstances** like interest rates, inflation, and unemployment have a considerable impact on bank profitability and stability.
2- **Regulatory issues** also influence the banking landscape, as changes in capital requirements and regulatory methods can affect banks' risk profiles and operating strategies.
3- **Market considerations**, such as technology improvements and shifting customer needs, complicate the banking environment.

Risks Associated with Banking Fluctuations and Turbulence

For financial institutions, volatility and swings in the banking system can have a big impact on how they operate organizationally. Overall, the effects of turbulence and changes in the banking industry on a business can be extensive, affecting an organization's operations, reputation, and strategic direction in addition to its financial health. Banking companies must be ready to face these obstacles by putting in place efficient risk management procedures, keeping substantial capital reserves, and remaining sensitive to changes in the market and regulations.

In this context, turbulence and variations in banking may have a big effect on a lot of different people and the economy as a whole. In this sense, turbulence and variations in banking may have a big financial impact on the economy as a whole as well as on specific customers. It is crucial to remember that the precise financial effects of turbulence and oscillations in the banking industry might differ based on the intensity, length, and underlying causes of the crisis.

Furthermore, to lessen these effects, governments and central banks frequently use monetary policy instruments, provide financial institutions with liquidity, and make regulatory reforms that improve stability.

Moreover, the financial crisis occurred in 2007 and 2008, causing a near-meltdown of the financial system in the United States and other advanced countries. This crisis highlighted the paradox of modern finance, which requires a complex and interconnected global financial system to support production, distribution, capital investment, and international trade. However, it can become fragile and unstable during times of stress. Six key features affect the efficiency of an advanced financial system in normal times and its vulnerability during financial stress: solvency and advantage, funding stability, maturity mismatches, interconnectedness, concentration, and complexity (Knight, 2018). There are several risks associated with the fluctuations and turbulence in the banking sector as follows:

- **Financial risks**

The financial sector has undergone significant changes, such as interest rate deregulation and foreign market entry, to stabilize fiscal deficits. However, sluggish economic growth and asset impairment have hindered bank profitability. Sustained profitability is crucial for economic growth and resource allocation. Identifying potential dangers to bank profitability is essential, as it affects solvency ratios and threatens the economic system. Studying factors responsible for bank profitability is crucial to assess risk and ensure financial stability. Persistence in bank profits is essential for determining product-market competitiveness (Sinha & Sharma, 2016).

In this context, the banking sector's profitability has significantly decreased following the global financial crisis, largely due to non-sustainable credit policies and easy access to credit in emerging markets. The need for increased capitalization has also negatively influenced short-term profitability. Non-performing loans negatively affect banks' profitability under the

fixed effect model. Capitalization and interest rate margins positively affect banks' profitability, while non-interest expenses negatively affect profitability. The results are robust when using the return on assets or return on equity indicator to measure profitability (Albulescu, 2015).

In addition, the capital adequacy ratio (CAR) is a crucial measure of financial stability for banks and depository institutions, serving as a buffer for absorbing losses. It is a major benchmark globally. Deposit money banks have a CAR well above the regulatory minimum, with a high-risk portfolio and low return on assets. Depositors' interests are protected due to a well-diversified asset base. CAR is influenced by banks' risk portfolio, deposit level, profitability, and asset quality. These banks use a pragmatic risk-management mechanism and robust data management system (Abba et al., 2018).

The link between financial innovation and instability also has garnered more attention as the economy has become more and more financialized. The spread of sophisticated financial innovations, such as asset securitization and novel financial derivatives, contributed to the disintegration of the market governance frameworks that restrained excessive bank risk-taking and encouraged instability. The way financial organizations adopt innovations is influenced by market governance structures, which can result in varying degrees of instability at different periods and locations. Similar to non-financial companies in the previous ten years, banks implemented corporate governance changes related to the shareholder value model. The agendas of bank executives were impacted by these modifications to internal bank governance structures, which promoted greater use of derivatives and securitization (Pernell, 2020).

- **Operational risks**

Banks manage funds in productive assets as a source of income to finance operational costs, such as labor and interest costs. Proper management of these assets is crucial for generating profits. Asset quality assessment evaluates the condition of bank assets and the

adequacy of credit risk management. It assesses the quality of assets and credit risks faced by banks due to lending and investment in different portfolios. Bank soundness is a key indicator of bank stability. The financial system plays a vital role in the economy, directing funds from surplus to deficit. A stable and efficient financial system can hinder economic growth by preventing the proper placement of funds (Elsa, Utami & Nugroho, 2018).

Further, deposit insurance, a part of financial system safety nets, can reduce depositors' incentive to monitor banks, leading to excessive risk-taking. This was a significant factor in the global financial crisis, but during the crisis, bank risk was lower, and systemic stability was greater in countries with deposit insurance coverage. The moral hazard effect of deposit insurance dominates in good times, while the stabilization effect dominates in turbulent times. The overall effect of deposit insurance is negative, with the destabilizing effect during normal times being greater than the stabilizing effect during global turbulence. Good bank supervision can alleviate these unintended consequences, suggesting the importance of fostering an appropriate incentive framework for systemic stability (Anginer, Demirguc-Kunt & Zhu, 2014).

Thus, financial crises can also lead to asset value plummeting, market instability, capital flight, and speculative runs, causing investor confidence loss and economic growth. Contagion can be broadly or restrictively spread, with broad contagion indicating a high degree of interconnectedness and vulnerability in the financial system, where problems in one area spill over into others. Restrictive contagion, on the other hand, suggests that the impact of a financial shock is contained and does not spread extensively to other markets or sectors (Naveed et al., 2024). Booms in asset prices have frequently preceded financial crises. Banks that depend on short-term funding may deliver because of this, especially if there is a liquidity mismatch. Reduced debt may cause a credit crunch, which may lead to a recession. Since these assets are being sold to satisfy regulatory criteria like capital and liquidity ratios, fire sales have the

potential to compound the impacts of asset price declines and spread to other assets (Kumar, 2019).

Based on the aforementioned, the researcher focused on the analytical view of the risks that affect banking fluctuations and turbulence as follows:

1- **Financial Risks:** The banking industry is particularly sensitive to financial risks, which have been exacerbated by changes such as interest rate deregulation and increased foreign market entry. The drop in profitability following the global financial crisis demonstrates the risks of unsustainable lending practices and the accumulation of non-performing loans.

2- **Operational Risks:** Operational risks originate from asset management and credit risk assessment. Bank asset quality has a direct impact on profitability and overall financial system stability.

Consequences of Fluctuations and Turbulence in the Banking Merger and Acquisition Sphere

The financial crisis negatively impacted the international expansion and investment decisions of leading global banks, primarily located in crisis-affected countries. Many players retreated from foreign activities, while others saw the crisis as an opportunity for further expansion and increasing market shares internationally. The need for crisis-affected advanced country banks to solidify operations abroad led to the formation of banking alliances through mergers and acquisitions (M&As). Despite the challenges posed by globalization, banks still opt for M&As as a means to survive and compete with rivals. In post-crisis environments, M&As often serve as a last resort for many banks to stay on board. The global financial crisis has turned mergers, acquisitions, and takeovers into popular business forms of banking alliances, requiring critical corporate structural changes. There are various forms of business combinations through mergers, such as absorption, where one bank acquires another, and

consolidation, where two or more banks establish a new joint structure, allowing each unit to dissolve and fully integrate into a new entity (Micu & Micu, 2016).

In this sense, fluctuations and turbulence in the banking merger and acquisition (M&A) space can have a variety of effects on the parties involved, as well as the overall financial environment. It is crucial to highlight that the precise implications of fluctuations and turbulence in the banking M&A arena might differ depending on the nature and size of market circumstances, the peculiarities of the transaction, and the goals and capabilities of the firms involved. Here are some of the major problems that might occur in such situations:

- **Deal delays**

M&A deals are crucial for businesses to expand by acquiring new products, markets, and customers, increasing profitability. However, potential issues can arise during the process, such as insufficient management capacity, cultural integration issues, lack of or diversion from a key strategy, overpayment, incorrect valuation of the target company, and external factors. Insufficient management capacity can lead to debt and pressure to cut costs, while cultural integration issues can result in long-term losses. A key corporate strategy is essential for success, and overpayment should be set before negotiations. Incorrect valuation can also occur, as seen in Bank of America's acquisition of Countrywide. Addressing these issues and ensuring a smooth M&A transaction can help companies maintain their competitive edge (Doran, 2023). The quality of the institutional and regulatory framework, financial reporting, investor protection, macroeconomic indicators, financial market development, border tax policies, government and bureaucrat behavior, political influence, geographic distance, and cultural factors all impact the completion likelihood of cross-border M&A deals. In rising nations, economic nationalism and institutional roles play a significant role in sanctioning cross-border agreements such as direct investment, mergers, acquisitions, joint ventures, and private equity (Reddy, Xie & Huang, 2016).

- **Valuation challenges**

Fair value accounting faces several challenges, including subjectivity, lack of uniformity in measurements, volatility, and potential impact on earnings. Subjectivity arises from the need for judgment and estimation, leading to varying assumptions and methodologies used by different entities. Volatility can affect an entity's reported earnings, potentially causing fluctuations that don't accurately reflect operational changes. Valuing illiquid assets and liabilities can be complex due to the absence of market prices, resulting in valuation difficulties and potential errors in financial reporting. Information asymmetry between preparers and users of financial statements can also lead to the manipulation of fair value estimates to present a more favorable financial picture (Dalwadi, 2023). Moreover, the stock is volatile, and after the merger of the state bank associates increased state bank market shares post-merger, which means that state banks benefited from the merger with their associate banks. Mergers are responsible for an increase in the volatility of security returns in various ways. Stock volatility increased because of M&As in several ways (Khan & Zia, 2019).

- **Financing difficulties**

The banking sector may face obstacles to merger and acquisition (M&A) activity, including an unexpected prolongation of the prolonged low-interest rate environment, increased regulatory scrutiny of prospective deals, and cautious buyers and sellers. Mergers and acquisitions sometimes fail to enhance organizational and individual performance. As a result, merging institutions must replace top management and workers with bad performance records to get better results. Bank mergers that promote customer or regional specialization are expected to continue. Banks are expanding their operations through mergers and acquisitions in countries where they have a strong presence or perceive potential for future growth. Banks are abandoning underperforming areas to increase capital efficiency (Warter & Warter, 2015).

Furthermore, the impact of bank financing on M&As and its implications for borrowing acquirers. There is a positive announcement effect for bank-dependent firms, highlighting the importance of banks in decision-making. Banks monitor M&As by imposing higher loan pricing and stringent non-price terms but do not hold up bank-dependent borrowing acquirers more than non-bank-dependent acquirers. Bank-dependent firms are more vulnerable to bank expropriation. The borrower retains the M&A financing bank for a larger share of its business after the transaction, highlighting the importance of implicit contracting in the lending market (Huang & Srinivasan, 2022).

- **Integration challenges**

The factors influencing the success of a merger include human resources involvement, employee retention, employee attitude, employee communications, prior M&A experience, personnel training and development, integration team, organizational culture, strategy, industry, cultural diligence, merger type, level and degree of integration, speed of integration, leadership and management practices, pre-merger planning, employee satisfaction, organizational structure, employee motivation, managerial changes, shared identity. These elements include the following: shared identity, employee communication, prior M&A experience, organizational structure, employee motivation, level and degree of integration, speed of integration, merger type, strategy, organizational culture, industry, cultural diligence, leadership and management practices, pre-merger planning, employee satisfaction, organizational structure, and employee motivation (Panibratov, 2017).

In addition, the revenue and profitability of the acquirer and target significantly influence integration success. The revenue ratio also predicts integration success, but not the profitability ratio. The revenue of the acquirer positively influences integration success, while the target's revenue negatively influences it. Buying a small target decreases integration stage risks. The pre-performances of the acquirer more predict integration success than the target's,

suggesting the need for more attention to the acquirer's business results in due diligence. A larger target could lead to integration stage complications, while a larger acquirer could facilitate it. A combination of a larger acquirer and a smaller target can lead to integration success in cross-border M&As, particularly when the target is inefficient and has the potential to remove redundancies. This mixed effect highlights the challenges in implementing M&A strategies in cross-border M&As (Rozen-Bakher, 2018).

The researcher highlighted that fluctuations and turbulence in the banking merger and acquisition (M&A) landscape can have a substantial influence on participating businesses and the broader financial climate, as follows:

- **Deal Delays:** M&A transactions are critical for banks seeking development in new areas and consumers. However, a variety of impediments might cause transactions to be delayed, including management capacity issues, cultural integration challenges, and erroneous target company valuations.
- Subjectivity, volatility, and information asymmetry can make it difficult to accurately value assets during M&A deals.
- **Financing Difficulties:** M&A transactions frequently confront financing issues, especially in a protracted low-interest rate environment. Increased regulatory scrutiny and cautious attitudes among potential buyers and sellers might stymie deal activity.
- **Integration Challenges:** Successful integration is essential for reaping the potential benefits of M&A. Employee retention, company culture, and prior merger and acquisition experience all have a substantial impact on integration outcomes.

– **Strategies to Evade the Consequences in 2024**

Integration is a critical aspect of business success, involving the integration of systems, processes, and technologies to enhance efficiency and streamline operations. A well-planned integration strategy is crucial for maintaining competitiveness and sustainable growth. Eight

key strategies for successful integration include defining clear objectives, selecting the right technology, maintaining data quality, adopting an API-first approach, ensuring scalability, prioritizing user experience, conducting thorough testing, and implementing robust change management practices. These strategies help businesses navigate the complexities of integration and unlock their full potential (Irfan & Jahangir, 2023).

In this context, in the banking merger and acquisition (M&A) space in 2024, navigating instability and fluctuations calls for meticulous preparation and deliberate deliberation. While there is no way to avoid the effects of these circumstances, organizations may take several steps to lessen their effects. The following techniques may be useful:

- **Risk Management**

The motivation behind risk reporting in mergers and acquisitions (M&As) is influenced by the level of transparency and opaqueness. If risk reporting is too transparent, it increases shareholder uncertainty, leading to less transparency. On the other hand, transparency encourages more comprehensive reporting when a change in risk profile arises from a particular M&A. The relationship between M&A risk level and transparency is an empirical question. Reporting regulations primarily focus on financial risk factors, but also consider nonfinancial risk factors. Accounting standards require managers to provide both qualitative and quantitative information on financial risk factors and related risk management (Ott, 2020).

In addition, risk management for mergers and acquisitions also is a universal tool for managing risks in integration processes. It is crucial to apply risk management techniques consistently at each stage of the transaction to ensure efficiency and success. This helps prevent and reduce the impact of factors negatively affecting company integration. The significance of risk should be considered at each stage by comparing the costs of the risk management tool and the benefits of its use. This system can form the basis for a comprehensive risk management methodology, allowing for risk identification, analysis, assessment, selection of effective tools,

determining acceptable risks, research on economic efficiency, and development of plans to improve transactions and actions in case of adverse events (Vertakova, Vselenskaya & Plotnikov, 2021).

- **Due Diligence**

M&A transactions are complex due to differing regulatory environments, cultural nuances, and business practices. Understanding legal frameworks and bridging cultural gaps is crucial to avoid integration issues and suboptimal outcomes. Financial considerations, including valuation, funding, and deal structure, are central to the dynamics of cross-border M&A. Currency exchange rates, interest rates, and tax implications significantly impact the transaction's financial viability, necessitating thorough due diligence from parties involved (Irfan & Jahangir, 2023).

Furthermore, due diligence describes an extensive procedure for looking into and assessing business prospects in mergers and acquisitions. Early organizational culture examination is one of the most crucial aspects of due diligence, even if early-stage due diligence often includes financial and strategic review (Denison & Ko, 2016). Prospective due diligence procedures involve a thorough assessment of strategic investment prospects, with a focus on determining the opportunity's assets and liabilities as well as its commercial potential. To check the facts, financial information, and other information mentioned during an M&A deal or investment process, due diligence procedures refer to the verification, investigation, or audit of a possible deal or investment opportunity (Alkaraan, 2019).

As M&As are a strategic approach for organizations to achieve growth, the due diligence stage is crucial in evaluating the deal's success, providing crucial information for setting negotiating parameters, determining bid prices, and providing a basis for integration recommendations. Effective management of the due diligence process ensures a higher probability of success. M&As can increase revenue streams quickly and create new

organizations with more promising financial and strategic options. The third stage involves thorough due diligence to explore all aspects of the target company, including finance, operations, legal, and environmental. The due diligence team summarizes their findings and identifies potential deal killers or synergies. The acquiring company uses these findings to set negotiating parameters, determine bid prices, and provide the foundation for initial integration recommendations (Bhagwan, Grobbelaar & Bam, 2018).

- **Flexible deal structures**

Accounting firms typically undergo mergers, acquisitions, or a mix of the two over their lifespan. When choosing a business to sell or acquire, consider factors such as chemistry, capability, continuity, and culture. Firms should reassess preconceived views about equity and valuation, and be open to flexible contract structures tailored to their circumstances. Firm partners must understand all aspects of a transaction to benefit themselves, their clients, personnel, and the other party involved (Sinkin & Putney, 2017).

Moreover, ecosystems are more likely to adopt more flexible agreement structures, such as contractual arrangements, platform partnerships, and minority interests in venture capital investments, as opposed to longer-term joint ventures or alliances between two companies. These agreements guarantee the ecosystem's ability to react swiftly to evolving competitive challenges, new technologies, shifting consumer preferences, and legislative changes. Furthermore, businesses may easily establish new alliances or dissolve old ones because of their very simple creation and dissolution processes (Lang, von Szczepanski & Wurzer, 2019).

- **Financial Planning and Valuation**

Strategic financial planning is a crucial process for managing the financial health and sustainability of organizations, including small businesses, multinational corporations, and nonprofits. It involves setting financial goals, devising a plan to achieve them, and regularly reviewing and adjusting the plan to adapt to changing circumstances. Strategic financial

planning guides decision-makers in optimizing resources and achieving long-term success, aligning financial objectives with broader strategic goals. It analyzes economic factors, market trends, and industry-specific risks to minimize their impact and safeguard financial health. Capital allocation is another critical role, in determining how to deploy resources optimally. Strategic financial planning improves decision-making by enabling informed choices about pricing, cost management, and resource allocation (Irfan & Jahangir, 2023). In this sense, the appropriate approach, based on the acquiring organization's inherent pre-event performance and understanding of where the value derives from, may have a substantial influence on the transaction's result and profitability. Strategic purchases for growth can greatly raise the valuation of strong-performing acquirers, but they will not create value for weak-performing acquirers. Executives may predict market reactions to M&A announcements and use this information to plan future strategic moves (Vinogradova, 2016).

On the other hand, financial valuation and negotiation are also vital in business, guiding investment decisions, mergers, and acquisitions. They determine asset worth, assess risks and rewards, and aid tax planning. Valuation helps investors understand their intrinsic value, identify opportunities, and manage risk. Different valuation methods determine investment attractiveness. Valuation is central in mergers and acquisitions, where negotiation skills are crucial to strike a balance between shareholder value and deal satisfaction. In corporate finance, financial valuation and negotiation are crucial in capital budgeting decisions, ensuring resources are allocated to projects with high expected returns, leading to improved profitability and growth (Irfan & Jahangir, 2023).

The researcher recommended that in order to overcome the complexity of mergers and acquisitions in 2024, firms should adopt the following strategies:

1- **Risk Management:** Use comprehensive risk management procedures throughout the M&A process to detect and address possible issues early on.

2- **Due Diligence:** Conduct extensive due diligence, including financial, operational, and cultural assessments, to ensure informed decision-making.
3- **Flexible Deal Structures:** Use flexible agreement structures to react to changing market conditions and competitive landscapes.
4- **Financial Planning and Valuation:** Conduct strategic financial planning to connect M&A activities with overall corporate goals, and ensure that valuation procedures are rigorous and representative of market realities.

Mitigation strategies adopted by banks to avoid the consequences of fluctuations and turbulence

Exploration of mitigation techniques and proactive actions that banks might use to avoid or minimize the effects of fluctuations and turbulence.

- **Diversification of revenue streams**

Expansion opportunities are represented by sources of revenue. Organizations with an entrepreneurial spirit may explore novel sources of revenue due to the possibility of augmenting overall revenue. Boards may, for instance, urge staff members to explore earned income alternatives to finance more staff members and programs once attempts to collect donations are optimized. If successful, these incursions might promote expansion or deeper mission penetration (Hung & Hager, 2019). Reducing reliance on a single factor can be achieved by diversifying revenue sources. Investigating novel goods or marketplaces might improve financial stability (Niyongere et al., 2023).

In this sense, the treasury single account (TSA) has significantly influenced the performance of listed deposit money banks (DMBs). The consolidation of government funds in the TSA has reduced DMBs' deposit base, affecting their liquidity position and ability to meet funding requirements. This decrease in available funds has constrained DMBs' ability to provide loans and credit to the private sector, potentially hindering economic growth.

Additionally, the TSA has reduced DMBs' fee income and non-interest revenue, potentially negatively affecting profitability and overall financial performance. DMBs must adapt to the new operating environment to ensure stability and performance (Ogunniyi, Akinrinlola & Olaniyan, 2023).

- **Strong liquidity positions**

The banking industry's strong liquidity position is crucial for the smooth functioning. Failure to manage liquidity results in liquidity risk, increasing the probability of default (PD) in the industry. The lack of liquidity in the Indian banking industry was the main trigger for negative events during the recent financial crisis. Understanding the determinants affecting bank liquidity is essential. Bank liquidity refers to the ability of a bank to convert assets into cash and meet obligations on time. Before financial crises, liquidity risk is considered a secondary risk (Kaur & Sharma, 2017). Therefore, one of the most important measures of a bank's financial health is its liquidity, which reflects the bank's ability to meet its financial obligations. A bank's earnings and overall financial performance may benefit from having a good liquidity position, and this might therefore have a beneficial impact on the market price of the bank's shares. Therefore, it is crucial to comprehend the factors that influence liquidity and how they influence a bank's earnings and overall economic expansion (Karki, 2021).

- **Effective asset-liability management**

Asset liability management is a dynamic framework for monitoring and managing a bank's market risk. Balance sheet management aims to optimize net interest profits while maintaining a firm's overall risk preference. Asset and liability management aims to optimize earnings while balancing risk and long-term shareholder value. Effective asset and liability management is crucial for maximizing returns and preserving a surplus of assets over obligations. This approach, also known as excess management, considers interest rates, earning power, and desire to borrow (Obari, 2015).

Further, asset and liability management is a crucial management system for banking institutions to ensure liquidity, meet loan demand, and maintain net interest margin, and profitability. It was introduced to prevent low-demand deposits and ensure sufficient funds for loans. Effective ALM practices help financial institutions manage risks related to their assets and liabilities, maintaining a solid balance sheet. The role of ALM in financial stability has gained increasing interest, particularly after the 2008-2009 global financial crisis. The technique is essential for maintaining a bank's net interest margin and profitability and is essential for global financial stability (Isamail et al., 2023).

Banking mergers and acquisitions in Qatar

In Qatar, lower oil prices may damage bank stability and the economy as a whole. However, macroeconomic development can assist in stabilizing these countries. The public sector in these nations must be prepared to deal with bank crises and avoid tolerance. Effective cooperation between central banks and governments can reduce liquidity shocks. This can lead to investment possibilities and establish equilibrium (Alnaeem, 2017).

In this context, bank mergers may result in a concentration of power in the hands of a few significant banks, as well as a decrease in competition, raising consumer costs and slowing innovation. Bank mergers have several benefits. Bank mergers provide enormous financial benefits through economies of scale. It refers to the financial savings gained from increasing corporate activities. The new business may save money by merging two banks and removing redundant functions such as technology, marketing, and human resources. This may result in cheaper expenses, boosting the merged entity's profits. Increased income from cross-selling is another financial benefit of bank mergers. Cross-selling is introducing new products or services to existing customers (Al-Binali et al., 2023).

Further, mergers in the banking business happen all around the world. Barwa Bank and International Bank of Qatar (IBQ) recently merged, marking Qatar's first merger. The merger

resulted in the formation of a new organization known as Dukhan Bank. Dukhan Bank is now an Islamic bank, which means that the IBQ business model is no longer in use. In banks, service quality is prioritized over all other aspects of business development and customer happiness. Service quality is strongly correlated with costs, profitability, customer happiness, client retention, and good word-of-mouth (Almajid, 2021).

In addition, mergers and acquisitions are also a key strategy for horizontal growth and expansion in the banking business. Merger transactions provide significant information that impacts the stock price behavior of participating institutions. In 2019, Barwa Bank and International Bank of Qatar (IBQ) successfully merged, marking Qatar's first bank merger and largest M&A transaction across all business sectors. This success paved the way for future endeavors. In June 2020, Masraf Al-Rayan (MAR) and Khaliji Bank (KCB) announced they were negotiating a merger. In January 2021, the banks announced an agreement to combine (Al-Binali, 2022). Therefore, the right merger strategy for Qatari banks is crucial for managing risks and achieving long-term financial performance. The most important criteria are increasing profitability and market share. Profitable banks attract more investors, making it easier to raise capital and access funding from capital markets. This can be used to finance different projects. Profitability also positively influences innovation and technological advancement, allowing banks to invest in research, development, technological infrastructure, and innovative products and services. Therefore, banks need to consider these factors when making merger decisions. (Al-Binali et al., 2023).

After analyzing the previous literature, the researcher introduces the following strategies to enhance resilience, optimize operations, and ensure sustainable growth:

1- Diversifying revenue streams is critical for lowering reliance on a single income source and increasing financial stability.
2- Maintaining a strong liquidity position is critical for banks in meeting their financial

obligations and mitigating liquidity risk.

3- Asset-liability management is critical for maximizing net interest income while mitigating market risk. Effective ALM policies assist banks in balancing their assets and liabilities, guaranteeing adequate liquidity for lending demand while retaining profitability.

4- Mergers and acquisitions can help banks grow, increase market share, and gain economies of scale.

5- As banks explore mergers and acquisitions, improving service quality is crucial to customer satisfaction and retention.

6- Banks must stay nimble in reaction to macroeconomic upheavals, such as swings in oil prices, which can have an influence on financial stability, particularly in Qatar.

7- To effectively manage the risks associated with swings and turbulence, banks should put in place mechanisms for continuously monitoring and evaluating their financial performance, operational efficiency, and market circumstances.

CHAPTER 3: Study Procedures

Introduction

This chapter discussed the field study procedures undertaken by the researcher to achieve the study's objectives. It included the identification of the study methodology, the study population, the study sample, the study tool and its validity and reliability, the study procedures, and the statistical methods used in analyzing the results.

First: Study Methodology:

The researcher employed the mixed-methods approach, which Al-Saeed (2021, p. 11) described as having the ability to address certain issues found in qualitative and quantitative research by integrating quantitative and qualitative data, thereby offering a deeper understanding of the research problem. It also capitalizes on the strengths of both quantitative and qualitative methodologies to improve the research."

Furthermore, the quantitative method involves gathering and evaluating numerical and countable data. The goal is to identify patterns and averages, make forecasts, and visually represent relationships. Quantitative research seeks to establish the relationship between two variables in the study: independent and dependent variables. The independent variable in this study is entrepreneurship courses for students, while the dependent variable is entrepreneurial skills. This research approach might be descriptive, in which subjects are typically measured just once, or experimental, in which issues are measured both before and after a treatment or modification. The sample size will be smaller than the entire size of the population. There are two forms of sampling: probability sampling and non-probability sampling. Probability sampling selects participants who are representative of the population. Nonprobability sampling involves selecting participants based on their availability and relevant features for the study (Azizan & Natasha, 2023).

On the other hand, the term "qualitative method" describes an information-gathering process that incorporates various data kinds that are combined to create documentation-style

information. They consist of concepts, music, video, photos, words, and numbers. These sequences include a variety of data collection techniques, including bundle collection, documentation, interviews, observation, and questionnaires.

Second: Study Population and Sample:

The study community refers to all the elements and components of the problem or phenomenon under study. It is a scientific term that refers to everything to which the research results can be generalized. Defining the research community is necessary for several reasons, including (1) justifying the limitation to a specific sample instead of applying it to society in general, given the large numbers of the study community and the difficulties that the researcher may face in the procedural processes. (2) knowing the extent to which the research can be generalized to the study community. (3) ensuring that the sample collected represents the study community for the validity of the generalization of the results (Hassan, 2016). Moreover, a survey was conducted on a large scale that included all executive directors and employees working at the Qatar Financial Markets Authority (QFMA) and all banks operating in the country, numbering (9785). This survey is in accordance with the official website of the National Planning Council (2023). The aim of this survey is to determine the pre-2023 status of banking mergers and acquisitions at the global level and to identify the reasons that led to the decline in the levels of banking mergers and acquisitions. Additionally, and to determine the future effects of renewing the levels of banking mergers and acquisitions in the year 2024. The study samples were taken as follows:

- **The Pilot Sample:** The study tool (questionnaire) was applied to a pilot sample consisting of (30) individuals from the study community, selected from outside the study sample to test the validity and reliability of the study tool and verify its suitability for application to the original sample.

- **- The original sample:** It is the sample to which the study tools were applied after verifying their validity and reliability to achieve the study objectives and answer its questions.
- **The study tool (questionnaire):** A sample was taken from the study community using the simple random method, which included (370) individuals from the study community by applying the Richard Geiger equation, which is as follows:

$$n = \frac{\left(\frac{Z}{d}\right)^2 * (P)^2}{1 + \frac{1}{N}\left[\left(\frac{Z}{d}\right)^2 * (P)^2 - 1\right]} = \frac{\left(\frac{1.96}{0.05}\right)^2 * (0.50)^2}{1 + \frac{1}{9785}\left[\left(\frac{1.96}{0.05}\right)^2 * (0.50)^2 - 1\right]} = 369.68 \approx 370$$

Where:

- N: symbolizes the size of the population, and is equal to (9785).
- Z: symbolizes the standard score corresponding to the 95% confidence level, and is equal to (1.96).
- d: symbolizes the acceptable error level for the 95% confidence level, and is equal to (0.05).
- P: symbolizes the coefficient of variation between the population items, and is equal to (0.5).

After distributing the questionnaires, the number of samples suitable for statistical analysis became (287), due to the presence of some questionnaires that were incomplete or unsuitable for statistical analysis.

Study tool (interview): A simple random sample was taken that included (10) executive managers and employees working in the Qatar Financial Markets Authority.

Third: Characteristics of the Study Sample:

Frequencies and percentages were calculated for the general information of the study sample members (the demographic variables of the study sample), which include gender, job position, and years of experience.

A. Distribution of sample members according to gender:

Table No. (3-1) Distribution of sample members according to gender

Gender	Frequencies	Percentages
Male	191	66.6%
Female	96	33.4%
Total	287	100%

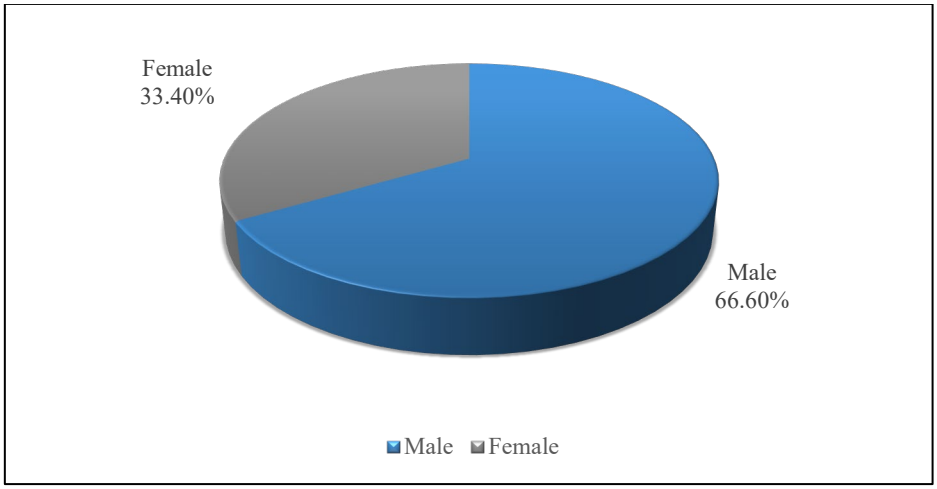


Figure No. (3-1) Distribution of the sample according to gender

The previous figure indicated that the highest percentage obtained by the study sample members according to gender was (66.6%), attributed to (males), and the lowest percentage was (33.4%), attributed to (females).

B. Distribution of the study sample members according to job position:

Table No. (3-2) Distribution of the study sample members according to job position

Job Position	Frequencies	Percentages
Administrator	130	45.3%
Employee	157	54.7%
Total	287	100%

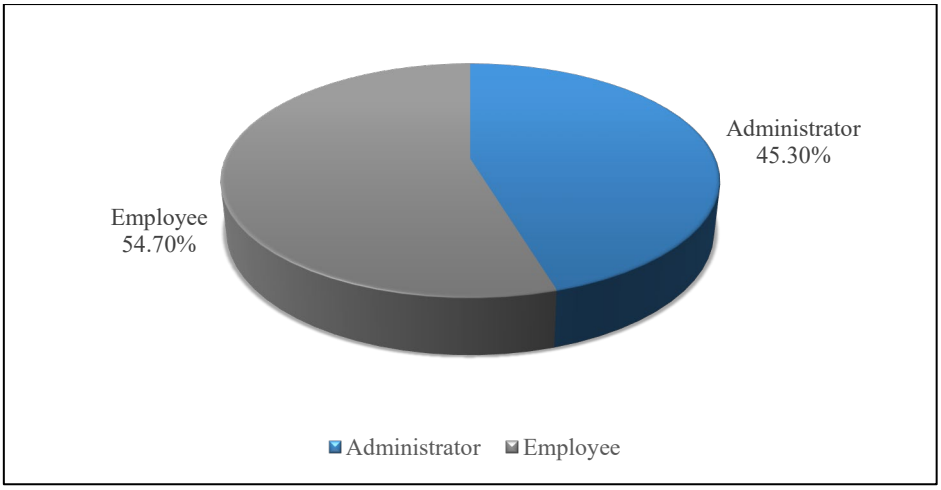


Figure No. (3-2) Distribution of the study sample members according to job position

The previous figure indicated that the highest percentage obtained by the study sample members according to (job position) was (54.7%), attributed to (employee), and the lowest percentage was (45.3%), attributed to (administrator).

C. Distribution of sample members according to years of experience:

Table No. (3-3) Distribution of sample according to years of experience

Years of Experience	Frequencies	Percentages
Less than 5 years	101	35.2%
From 5 to less than 10 years	74	25.8%
10 years and above	112	39.0%
Total	287	100%

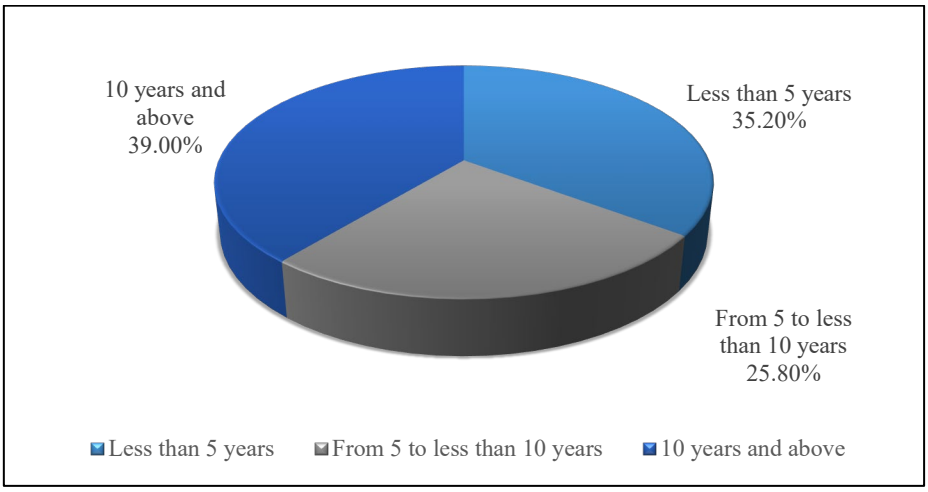


Figure No. (3-3) Distribution of sample members according to years of experience

The previous figure indicated that the highest percentage obtained by the study sample members according to years of experience was (39.0%), attributed to (10 years and above), followed by (35.2%), attributed to (less than 5 years), while the lower percentage was (25.8%) attributed to (from 5 to less than 10 years).

Fourth: The study tool and procedures for verifying its validity and reliability:

The researcher constructed a questionnaire and an interview to outline the factors leading to fluctuations and turbulence within the banking merger and acquisition sphere in 2023 towards evading their consequences in 2024. For further elaboration, A questionnaire is a research tool made up of a series of inquiries or other kinds of cues intended to elicit data from a respondent. Usually, a research questionnaire consists of both open-ended and closed-ended items (Siregar et al., 2024). In addition, Zhang (2023) refers to the importance of questionnaires as follows:

1- A survey questionnaire allows you to collect a large amount of data quickly.
2- If The researcher employs a standard set of questions for your target audience, there is less likelihood of prejudice (such as selection bias) slipping in.
3- The questionnaire will stay the same for a collection of respondents who belong to the same segment, even if The researcher can add logic to questions based on respondents' responses.
4- Online survey software makes surveying rapid and affordable.
5- The researcher can use a wide range of capabilities to plan, share, and evaluate the response data.
6- The researcher can alter it to make it speak to your brand. You can therefore use it to strengthen the image of your brand.

– **Description of the Study Tool (Questionnaire):**

The final version of the questionnaire comprised two main parts:

- **The first part**: This consisted of preliminary data about the study sample, represented by demographic variables including gender, job position, and years of experience.
- **The second part**: This consisted of the main sections of the questionnaire, which are divided into three primary axes as follows:

– **First Axis**: **Factors that led to decreasing levels of banking mergers and acquisitions during 2023**. This axis included statements numbered from (1) to (15), divided into three dimensions as follows:

- **First Dimension: Economic Factors**, comprising statements from (1) to (5).
- **Second Dimension: Geopolitical Factors**, comprising statements from (6) to (10).
- **Third Dimension: Strategic Factors**, comprising statements from (11) to (15).

– **Second Axis: Future implications to rejuvenate levels of banking mergers and acquisitions**. This axis included statements numbered from (16) to (30), divided into three dimensions as follows:

- **First Dimension: Strategic Alignment**, comprising statements from (16) to (20).
- **Second Dimension: Performance Monitoring**, comprising statements from (21) to (25).
- **Third Dimension: Change Management Culture**, comprising statements from (26) to (30).

– **Third Axis: Competitive Analysis**, including statements numbered from (31) to (35).

A 5-point Likert scale was used to evaluate the study tool, with the following responses: strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5).

Validity and reliability of the tool (questionnaire):

i. Expert Judgment:

After completing the questionnaire and constructing its statements, it was presented to a group of specialized experts to assess the effectiveness of the tool in achieving the study's

objectives. This was done to ensure the relevance of each statement to its corresponding dimension, the clarity of each statement, the soundness of its linguistic formulation, and its suitability for achieving the intended goal. Suggestions for improvement were also made through deletion, addition, or rephrasing, as deemed appropriate by the reviewers.

Upon receiving the reviewed copies from the reviewers and in light of their suggestions, the researcher rephrased the questionnaire. Some statements were deleted and rephrased based on the agreement of more than (80%) of the reviewers. Thus, the questionnaire was finalized after confirming its face validity, consisting of (35) statements distributed across three axes.

ii. The internal consistency validity of the questionnaire's axes:

– **The first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023.**

The internal consistency validity was calculated by calculating the Pearson correlation coefficient between the scores of each statement and the total score of the dimension to which the statement belongs in *the first axis: factors that led to decreasing levels of banking mergers and acquisitions during 2023* in the questionnaire, as its results are shown in the following table:

Table No. (3-4) Pearson correlation coefficients between the scores of each statement and the total score of the dimension to which the statement belongs in the first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023.

No.	Correlation	No.	Correlation	No.	Correlation
The First Dimension: Economic Factors					
1	.726**	2	.730**	3	.738**
4	.727**	5	.739**		
The Second Dimension: Geopolitical Factors					
6	.706**	7	.732**	8	.741**
9	.719**	10	.712**		
The Third Dimension: Strategic Factors					
11	.710**	12	.702**	13	.705**
14	.736**	15	.799**		

** Statistically significant at the significance level (0.01).

The previous table indicated that the correlation coefficients of the statements with the total score of the dimension they belong to in *the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023*, were all statistically significant at a significance level of (0.01). All the correlation coefficient values were significant, ranging from (.726**- to .739**) in the first dimension (economic factors), from (.706**- to .741**) in the second dimension (geopolitical factors), and from (.702**- to .799**) in the third dimension (strategic factors). This indicated a high degree of internal consistency validity for the statements in the first axis of the questionnaire.

- **General construct validity for the first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023**

The general construct validity for the dimensions of the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023, was verified by calculating the correlation coefficients between the total score for each dimension and the overall mean for the first axis. The results are shown in the following table:

Table No. (3-5) Correlation coefficients between the total score for each dimension and the overall mean for the first axis

No.	Dimensions	Correlation
1	The First Dimension: Economic Factors	.886**
2	The Second Dimension: Geopolitical Factors	.853**
3	The Third Dimension: Strategic Factors	.872**

** Statistically significant at the significance level (0.01).

The previous table indicated that the correlation coefficient values for the dimensions of the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023," were high, ranging from (.853**-.886**), and all were statistically significant at a significance level of (0.01). This indicated a high degree of construct validity for the first axis of the questionnaire.

- **Cronbach's Alpha for the first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023.**

The Cronbach's Alpha reliability coefficient was calculated for the dimensions of the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023, and the overall mean for the axis. The results are shown in the following table:

Table No. (3-6) Cronbach's Alpha reliability coefficient for the dimensions of the first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023.

No.	Dimensions	Cronbach's Alpha
1	The First Dimension: Economic Factors	.783
2	The Second Dimension: Geopolitical Factors	.769
3	The Third Dimension: Strategic Factors	.777
Overall		.893

The previous table shows that the reliability coefficients for the dimensions of the first axis, "Factors that led to decreasing levels of banking mergers and acquisitions during 2023," were high, ranging from (.769 to .783), and the total reliability coefficient was (.893). These reliability coefficient values indicated that the first axis of the questionnaire is valid for application and its results can be relied upon and trusted.

- **Second Axis: Future implications to rejuvenate levels of banking mergers and acquisitions.**

The internal consistency validity was calculated by computing the Pearson correlation coefficient between the scores of each statement and the total score of the dimension to which the statement belongs in *the second axis, future implications to rejuvenate levels of banking mergers and acquisitions*, in the questionnaire. The results are shown in the following table:

Table No. (3-7) Pearson correlation coefficients between the scores of each statement and the total score of the dimension to which the statement belongs in the second axis: future implications to rejuvenate levels of banking mergers and acquisitions

No.	Correlation	No.	Correlation	No.	Correlation
The First Dimension: Strategic Alignment					
16	.753**	17	.745**	18	.761**
19	.711**	20	.781**		
The Second Dimension: Performance Monitoring					
21	.789**	22	.728**	23	.767**
24	.716**	25	.768**		
The Third **Dimension: Change Management Culture**					
26	.755**	27	.717**	28	.772**
29	.786**	30	.819**		

** Statistically significant at the significance level (0.01).

The previous table indicated that the correlation coefficients of the statements with the total score of the dimension to which the statement belongs in *the second axis, future implications to rejuvenate levels of banking mergers and acquisitions*, were all statistically significant at a significance level of (0.01). All the correlation coefficient values were significant, ranging from (.711** to .781**) in the first dimension (strategic alignment), from (.716** to.789**) in the second dimension (performance monitoring), and from (.717** to .819**) in the third dimension (change management culture). This indicated a high degree of internal consistency validity for the statements in the second axis of the questionnaire.

- **General construct validity for the second axis: future implications to rejuvenate levels of banking mergers and acquisitions**

The general construct validity for the dimensions of the second axis, future implications to rejuvenate levels of banking mergers and acquisitions, was verified by calculating the correlation coefficients between the total score for each dimension and the overall mean for the second axis. The results are shown in the following table:

Table No. (3-8) Correlation coefficients between the total score for each dimension and the overall mean for the second axis: future implications to rejuvenate levels of banking mergers and acquisitions.

No.	Dimensions	Correlation
1	The First Dimension: Strategic Alignment	.775**
2	The Second Dimension: Performance Monitoring	.779**
3	The Third Dimension: Change Management Culture	.819**

Statistically significant at the significance level (0.01).

The previous table indicated that the correlation coefficient values for the dimensions of the second axis, future implications to rejuvenate levels of banking mergers and acquisitions, were high, ranging from (.775** to .819**), and all were statistically significant at a significance level of (0.01). This indicated a high degree of construct validity for the second axis of the questionnaire.

- **Cronbach's Alpha for the Second Axis: Future implications to rejuvenate levels of banking mergers and acquisitions**

The Cronbach's Alpha reliability coefficient was calculated for the dimensions of *the second axis, future implications to rejuvenate levels of banking mergers and acquisitions,* and the overall mean for the axis. The results are shown in the following table:

Table No. (3-9) Cronbach's Alpha reliability coefficient for the dimensions of the second axis: future implications to rejuvenate levels of banking mergers and acquisitions.

No.	Dimensions	Cronbach's Alpha
1	The First Dimension: Strategic Alignment	.805
2	The Second Dimension: Performance Monitoring	.809
3	The Third Dimension: Change Management Culture	.822
Overall		.871

The previous table indicated that the reliability coefficients for the dimensions of *the second axis, future implications to rejuvenate levels of banking mergers and acquisitions,* were high, ranging from (.805 to .822), and the total reliability coefficient was (.871). These reliability coefficient values indicated that the second axis of the questionnaire is valid for application and its results can be relied upon and trusted.

- **Third Axis: Competitive Analysis**

The internal consistency validity was calculated by computing the Pearson correlation coefficient between the scores of each statement and the total score of the *third axis, competitive analysis,* in the questionnaire. The results are shown in the following table:

Table No. (3-10) Pearson correlation coefficients between the scores of each statement and the total score of the third axis: Competitive Analysis.

No.	Correlation	No.	Correlation	No.	Correlation
31	.817**	32	.772**	33	.851**
34	.774**	35	.754**		

** Statistically significant at the significance level (0.01).

The previous table indicated that the correlation coefficients of the statements with the total score of *the third axis, competitive analysis,* were all statistically significant at a significance level of (0.01). All the correlation coefficient values were significant, ranging from (.754** to .851**), indicating a high degree of internal consistency validity for the statements in the third axis of the questionnaire.

- **Cronbach's Alpha for the Statements in the third axis: competitive analysis.**

The Cronbach's Alpha reliability coefficient was calculated for the statements in the third axis, competitive analysis, and the overall mean for the third axis in the questionnaire. The results are shown in the following table:

Table No. (3-11) Cronbach's Alpha reliability coefficients for the statements and overall mean of the third axis: Competitive Analysis.

No.	Cronbach's Alpha	No.	Cronbach's Alpha
31	.812	32	.829
33	.799	34	.830
35	.840		
Overall		.853	

The previous table indicated that the reliability coefficients for the statements in the third axis, competitive analysis, were high, with reliability coefficients ranging from (.799 to .840), and the overall reliability coefficient for the statements in the third axis was (.853). These

reliability coefficient values indicate that the third axis of the questionnaire is valid for application and that its results can be relied upon and trusted.

A. Description of the Study Tool (Interview):

The researcher relied on structured interviews where the questions were closed-ended. The interviews were conducted by posing a set of questions to (10) executive managers and employees working at the Qatar Financial Markets Authority. The interview questionnaire consisted of (10) questions in addition to demographic data, structured as follows:

- **First Part**: Preliminary data about the study sample, including demographic data such as gender, job position, and years of experience.
- **Second Part**: Interview questions related to the study topic. These questions were as follows:
- **The first question:** From your viewpoint, did political instability contribute to fluctuations and turbulence in banking M&A in 2023?
- **The second question**: How did geopolitical factors affect the decline in banking M & A activities in 2023?
- **The third question**: Were there any regulatory challenges that affected the banking M&A landscape in 2023?
- **The fourth question:** Did economic uncertainties contribute to fluctuations in banking M&A in 2023?
- **The fifth question:** What were the other factors that played critical roles in fluctuations and turbulence in banking M&A in 2023?
- **The sixth question:** What are the key lessons learned from the fluctuations experienced in 2023?
- **The seventh question**: How can banks benefit from these lessons to improve strategic planning and inform decision-making for banking M&A in 2024?

- **The eighth question**: How can banks prepare and adapt to potential regulatory challenges in 2024?
- **The ninth question**: What strategies should banks employ to maintain stakeholder confidence in banking M&A in 2024?
- **The tenth question**: What are the key environmental, social, and governance (ESG) considerations for enhancing the banking M&A sphere?

Validity of the Study Tool (Interview):

After preparing the interview and constructing its questions, they were presented to a group of specialized experts to verify the effectiveness of the tool and its achievement of the study's objectives. This was done to ensure the clarity of each question, its linguistic correctness, and its suitability for achieving the intended purpose. Suggestions for improvement were proposed, including deletion, addition, rephrasing, or any other modifications deemed appropriate.

After retrieving the reviewed copies from the experts, and in light of suggestions from some reviewers, the researcher revised the interview questions. Some questions were deleted and rephrased, based on the consensus of more than (80%) of the experts. Consequently, the interview, in its final form, consisted of 10 questions after ensuring its face validity.

Fifth: Study Software:

Based on the nature of the study and the objectives sought by the researcher, data analysis was performed using the Statistical Package for the Social Sciences (SPSS) software, and results were extracted according to the following statistical methods:

1. **Frequencies and Percentages**: To identify the characteristics of the study sample individuals according to Demographic Variables (Gender, Job Position, Years of Experience), and to list the responses of the sample individuals regarding the study questions.

2. **Means and Standard Deviations:** To calculate the means of questionnaire items as well as the total scores for questionnaire dimensions based on the responses of the study sample individuals.
3. **Pearson Correlation Coefficient:** To calculate internal consistency between questionnaire items and dimensions.
4. **Cronbach's Alpha Coefficient:** To ensure the reliability of the study tool (questionnaire) by calculating internal consistency between questionnaire dimensions and items.
5. **Range Equation:** To describe the responses mean to each item and dimension as follows:

The response degree was defined such that the score corresponds to very low (1), low (2), moderate (3), high (4), and very high (5). The verification degree for each dimension was determined based on the following:

Category length = $\frac{\text{Upper limit- lower limit}}{levels\ number} = \frac{5\text{-}1}{5} = 0.80$

- From 1 to less than 1.80 represents a (very low) response degree.
- From 1.80 to less than 2.60 represents a (low) response degree.
- From 2.60 to less than 3.40 represents a (moderate) response degree.
- From 3.40 to less than 4.20 represents a (high) response degree.
- From 4.20 to less than 5 represents a (very high) response degree.

The MAXQDA program was also used to analyze the qualitative data collected from the study tool (interview), where the sample members' responses were divided into smaller parts, and each part was linked to the objectives of the questions.

Validity of the Study Tool (Interview):

The study procedures began by determining the study title, reviewing previous studies related to the study title, and conducting formal interviews to ensure that the chosen title had

not been previously researched. Then, the study methodology was determined, the chapters of the research plan were written, and the literature and previous studies were reviewed to develop the study tools (questionnaire, interview), determine its main axes, and formulate the phrases that each axis would include. Then, the tools were presented in their initial form to a group of educational arbitrators to determine their suitability for collecting data and to ensure the extent to which each of its phrases is related to the axis to which it belongs, and the extent of the clarity of each phrase and the soundness of its linguistic formulation and its suitability for achieving the goal for which it was established, and to suggest ways to improve them by deleting, adding, or rephrasing. After retrieving the peer-reviewed versions from the arbitrators, and in light of the suggestions of some arbitrators, the researcher reformulated the tools in their final form, and an electronic copy was made using Google Forms and published to the individuals in the study sample. Then, the data was collected, transcribed, coded, processed, and statistically analyzed using the Statistical Package for the Social Sciences (SPSS) program, and the results of the current study were presented, discussed, analyzed, and interpreted, and recommendations were made. And suggestions based on the results of the current study.

CHAPTER 4: Results of Study Questions

Introduction

This chapter presented the outcomes derived from employing the research tool and applying the statistical methods mentioned to address the study's questions. Subsequently, the findings were elucidated and deliberated upon in the context of the theoretical framework and existing literature.

The First Section: Questionnaire Questions:

- **Presentation and discussion of the sample individuals' responses regarding the study tool (questionnaire).**

First: Presentation, discussion, and interpretation of the results of the first question, which stated: "What is the pre-2023 state of banking mergers and acquisitions on the global level?"To answer this question, frequencies, percentages, means, and standard deviations for the statements of *the third axis, competitive analysis*, were calculated. Subsequently, these statements were ranked in descending order according to their mean. The following table illustrates this:

Table No. (4-1) Frequencies, Percentages, Means, and Standard Deviations of Sample Individuals' Responses to Statements of the Third Axis: Competitive Analysis.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
31	Understanding the prevailing market trends in banking M&A to identify areas of growth.	F	179	29	23	31	25	4.07	1.386	3	High
		%	62.4	10.1	8.0	10.8	8.7				
32	Identifying acquisition targets that can strengthen the competitive position of the bank.	F	176	16	30	38	27	3.96	1.449	4	High
		%	61.3	5.6	10.5	13.2	9.4				
33	Evaluating the potential risks that might arise after post-acquisition.	F	218	20	16	19	14	4.43	1.159	1	Very High
		%	76.0	7.0	5.6	6.6	4.9				
34	Defining market trends to secure financing and attract investment partners.	F	157	28	34	34	34	3.84	1.479	5	High
		%	54.7	9.8	11.8	11.8	11.8				
35	Aligning market trends with long-term vision to achieve strategic objectives.	F	209	28	10	25	15	4.36	1.206	2	Very High
		%	72.8	9.8	3.5	8.7	5.24				
Overall								4.13	.641	High	

The previous table indicated that the overall mean of the third dimension, competitive analysis, came with a mean of (4.13), and a standard deviation of (0.641), indicating a (high) response degree. In the first rank came statement 33, "evaluating the potential risks that might arise after post-acquisition," with a mean of (4.43), and a standard deviation of (1.159), indicating a "very high" response degree. Following closely in second rank was statement (35), "Aligning market trends with long-term vision to achieve strategic objectives," with a mean of (4.36) and a standard deviation of (1.206), also showing a "very high" response degree. Lastly, statement 34, "Defining market trends to secure financing and attract investment partners," obtained a mean of (3.84) and a standard deviation of (1.479), indicating a "high" level of response. The standard deviations for the statements in the third dimension ranged between (1.159 and 1.479), signifying a considerable variance in the opinions of the study sample towards these statements.

The "high" response degree for the third axis: competitive analysis can be attributed to the rapid growth witnessed in the Qatari economy in recent years, leading to an increase in the volume and diversity of financial activities. This has attracted more local and global investors to Qatar's financial markets, thereby intensifying competition among various financial institutions.

Reason statement 33, "Evaluating the potential risks that might arise after post-acquisition," came in the first rank with a "very high" response degree, which can be explained by the differences in corporate cultures. The integration of different corporate cultures may lead to conflicts and difficulties in harmonizing employees. Additionally, management restructuring may result in the loss of experienced employees, affecting operational efficiency.

Reason statement 34, "Defining market trends to secure financing and attract investment partners," came in the last rank with a "high" response degree, which can be attributed to Qatar's emerging and active financial market, attracting investors worldwide.

Qatar's attractiveness as an investment destination stems from its strong and diversified economy, driven by its wealth of natural gas. This robust economic growth appeals to investors seeking profit opportunities.

Second: Presentation, Discussion, and Interpretation of Results for the Second Question, which stated: "What are the factors that led to decreasing levels of banking mergers and acquisitions during 2023"?

To answer this question, frequencies, percentages, means, and standard deviations were calculated for the dimensions of the first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023. These dimensions were then ranked in descending order according to the mean for each dimension. This is illustrated in the following table:

Table No. (4-2) Means and Standard Deviations for the Dimensions of the First Axis: Factors that Led to Decreasing Levels of Banking Mergers and Acquisitions During 2023

No.	Dimensions	Mean	SD	Response degree	Rank
1	The First Dimension: Economic Factors	3.86	.759	High	2
2	The Second Dimension: Geopolitical Factors	4.17	.665	High	1
3	The Third Dimension: Strategic Factors	3.78	.869	High	3
Overall		3.94	.611	High	

The previous table indicated that the overall mean for the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023, came with a mean of (3.94) and a standard deviation of (0.611), indicating a (high) response degree. In the first rank came (the second dimension: geopolitical factors) with a mean of (4.17) and a standard deviation of (0.665), also indicating a (high) response degree. Following in second rank was (the first dimension: economic factors) with a mean of (3.86) and a standard deviation of (0.759), showing a (high) response degree. Lastly, (the third dimension: strategic factors) obtained a mean of (3.78) and a standard deviation of (0.869), indicating a (High) response degree.

The "high" response degree for *the first axis, Factors that led to decreasing levels of banking mergers and acquisitions during 2023*, can be attributed to the global economy facing many challenges in 2023, including rising inflation and slowing economic growth. These

challenges increased uncertainty among investors, reducing their willingness to proceed with merger and acquisition deals. Additionally, the Qatar Financial Markets Authority imposed stricter regulatory rules on banking mergers and acquisitions to ensure the stability of the financial sector and protect consumer interests.

Below, the dimensions of the first axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023, are discussed in more detail as follows:

- **The First Dimension: Economic Factors.**

Frequencies, percentages, means, and standard deviations were calculated for the statements of the first dimension: economic factors, and then these statements were arranged in descending order according to the mean for each statement, and the following table shows this:

Table No. (4-3) Frequencies, percentages, means, and standard deviations of the sample members' responses to the first dimension: economic factors.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
1	The decline in capital investment hindered the adoption of banking M & A.	F	124	88	28	22	25	3.92	1.273	3	High
		%	43.2	30.7	9.8	7.7	8.7				
2	Economic uncertainty discouraged banks from adopting M&A transactions.	F	125	37	43	33	49	3.54	1.543	5	High
		%	43.6	12.9	15.0	11.5	17.1				
3	There was a prevalence of interest rate fluctuations and market volatility.	F	177	29	28	27	26	4.06	1.382	2	High
		%	61.7	10.1	9.8	9.4	9.1				
4	The banking sector faced challenges in securing financing at favorable terms.	F	140	31	35	39	42	3.66	1.536	4	High
		%	48.8	10.8	12.2	13.6	14.6				
5	Exchange rates and international trade dynamics affected banking M & A.	F	174	35	37	21	20	4.12	1.283	1	High
		%	60.6	12.2	12.9	7.3	7.0				
Overall								3.86	.759	High	

The previous table indicated that the overall mean for the first dimension, economic factors, was (3.86) with a standard deviation of (0.759), indicating a (high) response degree. In

the first rank came statement (5) (exchange rates and international trade dynamics affected banking M&A) with a mean of (4.12) and a standard deviation of (1.283), indicating a (high) response degree. In second rank was statement (3) (There was a prevalence of interest rate fluctuations and market volatility) with a mean of (4.06) and a standard deviation of (1.382), also indicating a (high) response degree. Lastly, statement (2) (economic uncertainty discouraged banks from adopting M&A transactions) obtained a mean of (3.54) and a standard deviation of (1.543), indicating a (high) response degree. The standard deviations for the statements in the first dimension ranged between (1.273 and 1.543), indicating a considerable variance in the opinions of the study sample towards these statements.

The "high" response degree for *the first dimension, economic factors,* can be attributed to the global and regional economic slowdown following the COVID-19 pandemic and the Russia-Ukraine war. This led to decreased demand and economic activity, alongside rising inflation rates and interest rates, which increased borrowing costs and banking transaction expenses. Political and economic uncertainty also affected investor confidence and risk appetite.

This is partly what Zeqiraj et al. (2020) found in their study, which found that the global Internet of Finance highlighted the importance of the personal system for growth, as it can lead to resource imperfections, loss of confidence in savings, declining investment, and misallocation of scarce resources, leading to migration, unemployment, and poverty.

The reason statement (5) (Exchange rates and international trade dynamics affected banking M&A) came in the first rank with a "high" response degree can be explained by the exposure of cross-border mergers and acquisitions to currency risks. The value of assets and liabilities may change between the agreement and completion of the deal, and asset valuation becomes more complex due to currency fluctuations, which may impact the transaction's value.

The reason statement (2) (economic uncertainty discouraged banks from adopting M&A transactions) came in the last rank with a "high" response degree can be attributed to the volatility of stocks, bonds, and currencies, making it difficult to assess the value of target financial institutions. This presents a barrier to completing M&A deals. Furthermore, the decline in economic growth affects future profitability expectations of financial institutions, reducing banks' willingness to invest in mergers and acquisitions.

- **The Second Dimension: Geopolitical Factors.**

Frequencies, percentages, means, and standard deviations were calculated for the statements of the second dimension: Geopolitical Factors, and then these statements were arranged in descending order according to the mean for each statement, and the following table shows this:

Table No. (4-4) Frequencies, percentages, means, and standard deviations of sample members' responses to the second dimension: Geopolitical Factors.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
6	Geopolitical shifts and changes in international relations affected the adoption of banking M & A.	F	169	35	21	29	33	3.97	1.452	4	High
		%	58.9	12.2	7.3	10.1	11.5				
7	Banks needed to navigate complicated regulatory environments to obtain approvals.	F	224	26	12	14	11	4.53	1.044	1	Very High
		%	48.0	9.1	4.2	4.9	3.8				
8	Geopolitical tensions and trade disputes among countries negatively impacted banking M&A.	F	161	25	38	31	32	3.88	1.457	5	High
		%	56.1	8.7	13.2	10.8	11.1				
9	Geopolitical events led to currency volatility, especially in emerging markets.	F	226	13	15	15	18	4.44	1.193	2	Very High
		%	78.7	4.5	5.2	5.2	6.3				
10	Wars raised national concerns which negatively affected critical sectors including the banking sector.	F	183	16	32	31	25	4.05	1.403	3	High
		%	63.8	5.6	11.1	10.8	8.7				
Overall								4.17	.665	High	

The previous table indicated that the overall mean for the second dimension, geopolitical factors, was (4.17) with a standard deviation of (0.665), indicating a (high) response degree. In the first rank came statement (7) (banks needed to navigate complicated regulatory environments to obtain approvals) with a mean of (4.53) and a standard deviation of (1.044), indicating a (very high) response degree. In second rank was a statement (9) (geopolitical events led to currency volatility, especially in emerging markets) with a mean of (4.44) and a standard deviation of (1.193), also indicating a (very high) response degree. Lastly, statement (8) (Geopolitical tensions and trade disputes among countries negatively impacted banking M&A) obtained a mean of (3.88) and a standard deviation of (1.457), indicating a (High) response degree. The standard deviations for the statements in the second dimension ranged between (1.044 and 1.457), indicating a considerable variance in the opinions of the study sample towards these statements.

The (high) response degree for *the second dimension, geopolitical factors*, can be attributed to the rise in interest rates, as central banks' policies to increase rates can lead to higher borrowing costs, making mergers and acquisitions more expensive. Economic slowdown can reduce banks' appetite for engaging in M&A transactions. Changes in rules and regulatory frameworks can also increase the difficulty or cost of M&A activities.

This is consistent with the study of Deloitte Corporation (2024), which found that inflation, interest rate increases, and geopolitical turmoil contributed to a slowdown in banking mergers and acquisitions and capital industry (M&A) in 2023, and a wide range of economic aspects are expected to impact banking M&A forecasts in 2024.

The reason statement (7) (Banks needed to navigate complicated regulatory environments to obtain approvals) came in the first rank with a (very high) response degree can be explained by the fact that banks are subject to a range of rules and regulations imposed

by various regulatory bodies, such as central banks and financial market authorities. These rules and regulations may change frequently, requiring banks to quickly adapt to these changes.

The reason statement (8) (Geopolitical tensions and trade disputes among countries negatively impacted banking M&A) came in the last rank with a (high) response degree can be attributed to the economic uncertainty caused by geopolitical tensions. This makes companies and banks more cautious in making large investment decisions such as mergers and acquisitions. Changes in trade policies, taxes, or the imposition of sanctions can affect banks' profitability and their ability to finance acquisitions.

- **The third dimension: Strategic Factors.**

Frequencies, percentages, means, and standard deviations were calculated for the statements of the third dimension: Strategic Factors, and then these statements were arranged in descending order according to the mean for each statement, and the following table shows this:

Table No. (4-5) Frequencies, percentages, means, and standard deviations of the sample members' responses to the third dimension: Strategic Factors.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
11	Lack of strategic fit between the acquiring bank and the target entity.	F	133	10	46	49	49	3.45	1.597	5	High
		%	46.3	3.5	16.0	17.1	17.1				
12	Antitrust and competition issues posed obstacles to banking M & A.	F	137	25	46	42	37	3.64	1.503	3	High
		%	47.7	8.7	16.0	14.6	12.9				
13	There were significant disparities in valuation expectations between the buyer and seller.	F	189	24	23	26	25	4.14	1.369	1	High
		%	65.9	8.4	8.0	9.1	8.7				
14	There were concerns related to capital adequacy and risk management.	F	125	33	48	45	36	3.58	1.479	4	High
		%	43.6	11.5	16.7	15.7	12.5				
15	Shareholders opposed the merger as they believed that it undervalued their investment.	F	167	53	15	27	25	4.08	1.339	2	High
		%	58.2	18.5	5.2	9.4	8.7				
Overall								3.78	.869	High	

The previous table indicated that the overall mean for the third dimension, strategic factors, was (3.78) with a standard deviation of (0.869), indicating a (high) response degree. In the first rank came statement (13) (there were significant disparities in valuation expectations between the buyer and seller) with a mean of (4.14) and a standard deviation of (1.369), indicating a (high) response degree. In second rank was statement (15) (shareholders opposed the merger as they believed that it undervalued their investment) with a mean of (4.08) and a standard deviation of (1.339), also indicating a (high) response degree. Lastly, statement (11) (lack of strategic fit between the acquiring bank and the target entity) obtained a mean of (3.45) and a standard deviation of (1.597), indicating a (high) response degree. The standard deviations for the statements in the third dimension ranged between (1.339 and 1.597), indicating a considerable variance in the opinions of the study sample towards these statements.

The (high) response degree for the third dimension, strategic factors, can be attributed to increased regulatory scrutiny of M&A activities, particularly concerning competition risks and consumer protection, the complexities of accounting rules for mergers and acquisitions, and investors' preference for safer and more stable investments, such as bonds and secondary market instruments. Additionally, there is a growing focus on environmental, social, and governance (ESG) factors in evaluating M&A deals.

The reason statement (13) (there were significant disparities in valuation expectations between the buyer and seller) came in the first rank with a (high) response degree can be explained by the role of psychological factors in valuation expectations, such as optimism, pessimism, or the desire to close the deal quickly. One party may have more information than the other about the asset or market, leading to differing expectations.

The reason statement (11) (lack of strategic fit between the acquiring bank and the target entity) came in the last rank with a (high) response degree can be attributed to differing views on the future market. The acquiring bank and the target entity may have different

perspectives on market trends, leading to discrepancies in investment and development plans. Additionally, there may be significant differences in corporate cultures, making it difficult to integrate operations and coordinate work effectively.

Third: Presenting, discussing, and interpreting the results of the third question, which states: "What are the future implications for rejuvenating levels of banking mergers and acquisitions in 2024?"

To answer this question, frequencies, percentages, means, and standard deviations were calculated for the dimensions of the second axis: future implications to rejuvenate levels of banking mergers and acquisitions, and then these dimensions were arranged in descending order according to the mean for each dimension, and the following table shows this:

Table No. (4-6) Means and standard deviations for the dimensions of the second axis: Future implications to rejuvenate levels of banking mergers and acquisitions.

No.	Dimensions	Mean	SD	Response degree	Rank
1	The First Dimension: Strategic Alignment	3.95	.750	High	2
2	The Second Dimension: Performance Monitoring	3.66	.956	High	3
3	The Third Dimension: Change Management Culture	4.04	.749	High	1
Overall		3.88	.603	High	

The previous table indicated that the overall mean for the dimensions of the second axis, future implications to rejuvenate levels of banking mergers and acquisitions, was (3.88) with a standard deviation of (0.603), indicating a (high) response degree. In the first rank came the third dimension: change management culture with a mean of (4.04) and a standard deviation of (0.749), indicating a (high) response degree. Following in the second rank was the first dimension: strategic alignment with a mean of (3.95) and a standard deviation of (0.750), also indicating a (high) response degree. Lastly, the second dimension: performance monitoring obtained a mean of (3.66) and a standard deviation of (0.856), indicating a (high) level of response. The "high" response degree for the second axis, future implications to rejuvenate levels of banking mergers and acquisitions, can be attributed to the increasing competitive

pressures in the Qatari financial markets, which drive banks to seek ways to expand their size and reduce costs through mergers and acquisitions. Qatar is also experiencing rapid population growth, leading to a higher demand for banking services. Additionally, banks aim to leverage modern technology to improve operational efficiency, which could result in mergers and acquisitions among companies focusing on specific technological areas.

Below, the dimensions of the second axis: Future implications to rejuvenate levels of banking mergers and acquisitions, are discussed in more detail as follows:

- **The First Dimension: Strategic Alignment:** Frequencies, percentages, means, and standard deviations were calculated for the statements of the first dimension: strategic alignment, and then these statements were arranged in descending order according to the mean for each statement, and the following table shows this:

Table No. (4-7) Frequencies, percentages, means, and standard deviations of the sample members' responses to the first dimension: Strategic Alignment.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
16	There must be a strategic alignment between the acquiring bank and the target entity.	F	163	64	16	21	23	4.13	1.276	2	High
		%	56.8	22.3	5.6	7.3	8.0				
17	The banking leadership must consider product offerings and geographic presence to maximize the potential benefits.	F	158	22	25	39	43	3.74	1.572	4	High
		%	55.1	7.7	8.7	13.6	15.0				
18	Conducting comprehensive analysis to evaluate operational capabilities, risk profile, and financial health of the merger.	F	205	31	14	25	12	4.37	1.166	1	Very High
		%	71.4	10.8	4.9	8.7	4.2				
19	Identifying potential risks for accurate valuation and informed decision-making.	F	168	21	20	43	35	3.85	1.529	3	High
		%	58.5	7.3	7.0	15.0	12.2				
20	Ensuring compliance with all legal and regulatory requirements.	F	137	38	31	42	39	3.67	1.514	5	High
		%	47.7	13.2	10.8	14.6	13.6				
Overall								3.95	.750	High	

The previous table indicated that the overall mean for the first dimension, strategic alignment, was (3.95) with a standard deviation of (0.750), indicating a (high) response degree. In the first rank came statement (18) (conducting comprehensive analysis to evaluate operational capabilities, risk profile, and financial health of the merger) with a mean of (4.37) and a standard deviation of (1.166), indicating a (very high) response degree. In second rank was statement (16) (there must be a strategic alignment between the acquiring bank and the target entity) with a mean of (4.13) and a standard deviation of (1.276), also indicating a (high) response degree. Lastly, statement (20) (ensuring compliance with all legal and regulatory requirements) obtained a mean of (3.67) and a standard deviation of (1.514), indicating a (high) level of response. The standard deviations for the statements in the first dimension ranged between (1.166 and 1.572), indicating a considerable variance in the opinions of the study sample towards these statements.

The (high) response degree for the first dimension, strategic alignment, can be attributed to the fact that mergers and acquisitions aim to create larger and stronger financial entities capable of offering a comprehensive range of banking services to individuals and companies. This enhances the competitiveness of the Qatari banking sector regionally and internationally. Moreover, these operations seek to achieve cost savings by integrating operations and reducing administrative expenses, which improves the profitability of financial institutions and makes them more capable of managing risks.

The reason statement (18) (Conducting comprehensive analysis to evaluate operational capabilities, risk profile, and financial health of the merger) came in the first rank with a (very high) response degree can be explained by the increasing complexity of mergers as companies expand and diversify their fields of activity. This requires more precise analysis to ensure compatibility and harmony between merging companies. Mergers involve significant financial risks, such as the risk of not achieving the expected synergies or facing difficulties in

integrating the systems of the merged companies. The reason statement (20) (ensuring compliance with all legal and regulatory requirements) came in the last rank with a (high) response degree can be attributed to the fact that ensuring compliance is a fundamental pillar for protecting investors' rights and enhancing their confidence in financial markets. Adherence to regulatory rules by supervised entities contributes to creating a safe and attractive investment environment for both local and international investors.

- **The second dimension: Performance Monitoring.** Frequencies, percentages, means, and standard deviations were calculated for the statements of the second dimension: performance monitoring, and then these statements were arranged in descending order according to the mean for each statement, and the following table shows this:

Table No. (4-8) Frequencies, percentages, means, and standard deviations of the sample members' responses to the second dimension: performance monitoring.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
21	Monitoring and evaluating the post-merger integration process.	F	124	40	38	45	40	3.57	1.506	4	High
		%	43.2	13.9	13.2	15.7	13.9				
22	Establishing key performance indicators to track progress and success of integration efforts.	F	144	36	38	31	38	3.76	1.485	2	High
		%	50.2	12.5	13.2	10.8	13.2				
23	Assessing the achievement of goals, financial performance, and customer satisfaction.	F	137	31	45	38	36	3.68	1.482	3	High
		%	47.7	10.8	15.7	13.2	12.5				
24	Identifying areas for improvement and applying insights for future M&A activities.	F	157	17	47	35	31	3.82	1.464	1	High
		%	54.7	5.9	16.4	12.2	10.8				
25	Developing strong internal processes and capabilities for managing transactions effectively.	F	122	23	50	51	41	3.47	1.523	5	High
		%	42.5	8.0	17.4	17.8	14.3				
Overall								3.66	.956	High	

The previous table indicated that the overall mean for the second dimension, performance monitoring, was (3.66) with a standard deviation of (0.956), indicating a (high) response degree. In the first rank came statement (24) (Identifying areas for improvement and applying insights for future M&A activities) with a mean of (3.82) and a standard deviation of (1.464), indicating a (high) response degree. In second rank was statement (22) (establishing key performance indicators to track progress and success of integration efforts) with a mean of (3.76) and a standard deviation of (1.485), also indicating a (high) response degree. Lastly, statement (25) (developing strong internal processes and capabilities for managing transactions effectively) obtained a mean of (3.47) and a standard deviation of (1.523), indicating a (high) response degree. The standard deviations for the statements in the second dimension ranged between (1.464 and 1.523), indicating a considerable variance in the opinions of the study sample towards these statements.

The (high) response degree for the second dimension, performance monitoring, can be attributed to the Qatar Financial Markets Authority's efforts to enhance the efficiency of the financial sector by encouraging mergers and acquisitions that lead to the creation of larger and more competitive banking entities. Mergers aim to achieve economies of scale, reduce operational costs, and improve the quality of banking services offered to consumers.

The reason statement (24) (identifying areas for improvement and applying insights for future M&A activities) came in the first rank with a "high" response degree can be explained by the Qatar Financial Markets Authority's efforts to strengthen Qatar's position as a leading regional financial hub. M&A activities are one of the main tools to achieve this. By identifying areas for improvement and applying insights, the authority can better recognize attractive investment opportunities and execute M&A activities effectively, contributing to enhanced competitiveness in the financial market.

The reason statement (25) (developing strong internal processes and capabilities for managing transactions effectively) came in the last rank with a (high) response degree can be attributed to the Qatari government's active support in developing the financial sector. The government aims to make Qatar a regional and global financial center. The Qatari financial markets are witnessing increasing growth, with higher trading volumes and diversity in financial products.

– **The Third Dimension: Change Management Culture.**

Frequencies, percentages, means, and standard deviations were calculated for the statements of the third dimension: change management culture, and then these statements were arranged in descending order according to the mean of each statement, and the following table shows this:

Table No. (4-9) Frequencies, percentages, means, and standard deviations of sample members' responses to the third dimension: Change Management Culture.

No.	Statements		Response					Mean	SD	Rank	Response degree
			Strongly agree	Agree	Neutral	Disagree	Strongly disagree				
26	Developing a robust change management strategy to enhance the integration process.	F	150	30	26	42	39	3.73	1.536	5	High
		%	52.3	10.5	9.1	14.6	13.6				
27	Communicating the benefits of the merger to all stakeholders.	F	150	14	68	29	26	3.81	1.397	4	High
		%	52.3	4.9	23.7	10.1	9.1				
28	Providing a positive environment for collaboration and cooperation.	F	193	27	29	19	19	4.24	1.258	2	Very High
		%	67.2	9.4	10.1	6.6	6.6				
29	Promoting a growth mindset that values adaptation and diversity.	F	155	41	43	27	21	3.98	1.315	3	High
		%	54.0	14.3	15.0	9.4	7.3				
30	Aligning HR policies and performance management systems to support the desired change culture.	F	209	41	10	12	15	4.45	1.095	1	Very High
		%	72.8	14.3	3.5	4.2	5.2				
Overall								4.04	.749	High	

The previous table indicated that the overall mean for the third dimension, change management culture, was (4.04) with a standard deviation of (0.749), indicating a (high) response degree. In the first rank came statement (30) (aligning HR policies and performance management systems to support the desired change culture) with a mean of (4.45) and a standard deviation of (1.095), indicating a (very high) response degree. In the second rank was a statement (28) (providing a positive environment for collaboration and cooperation) with a mean of (4.24) and a standard deviation of (1.258), also indicating a (very high) response degree. Lastly, statement (26) (developing a robust change management strategy to enhance the integration process) obtained a mean of (3.73) and a standard deviation of (1.536), indicating a (high) response degree. The standard deviations for the statements in the third dimension ranged between (1.095 and 1.536), indicating a considerable variance in the opinions of the study sample towards these statements.

The (high) response degree for the third dimension, change management culture, can be attributed to the Qatar Financial Markets Authority facing a dynamic environment characterized by rapid changes in the financial services sector. These changes require a high capacity for adaptation and innovation, making mergers and acquisitions important tools for achieving growth and development. Additionally, the Qatari banking sector is experiencing significant changes, including the emergence of new entities and the entry of global players.

The reason statement (30) (aligning HR policies and performance management systems to support the desired change culture) came in the first rank with a (very high) response degree can be explained by the need to evaluate current employee skills and identify training and development needs necessary to support a culture of change. This involves designing comprehensive professional development programs focusing on leadership, management, communication, and problem-solving skills, as well as maintaining transparent and continuous communication with employees about the change objectives and implementation plans.

The reason statement (26) (developing a robust change management strategy to enhance the integration process) came in the last rank with a (high) response degree can be attributed to the goal of a change management strategy to understand and reduce resistance to change from various stakeholders, including employees, customers, and investors. Additionally, a change management strategy helps ensure effective communication among all involved parties, ensuring everyone's participation in the integration process.

The Second Section: Interview Questions

- **Presentation and Discussion of Respondents' Responses Regarding the Study Tool (Interview)**

Face-to-face interviews were conducted by the researcher with the participants, adhering to the fundamental democratic principle that individuals have the free choice to decide whether or not to contribute to the study. All responses to the interview questions were transcribed into Microsoft Word, converting the interviews into written records. The researcher then cleaned the data by excluding non-essential information. Next, the researcher uploaded all files and texts into MAXQDA software to begin the data coding process. After completing the coding, the data was sorted into groups, with each group assigned a specific code. This coding facilitated the extraction of the study's final results. The results were derived by qualitatively analyzing the data using MAXQDA and answering the interview questions as follows:

1. **Presentation and Discussion of Results for the First Question: From your viewpoint, did political instability contribute to fluctuations and turbulence in banking M&A in 2023?**

The analysis of the respondents' answers indicated that it is difficult to definitively determine the impact of political contributions on the banking mergers and acquisitions (M&A) overseen by the Qatar Financial Markets Authority in 2023. It is likely that economic factors, bank performance, and potential changes in regulatory rules played a more significant role.

Political contributions might have had a marginal role, but we cannot be certain without a deeper analysis. Opinions varied on the extent of political contributions' impact. Some believed that market forces were the main driver of activity, while others thought political contributions might affect specific deals or create a favorable environment for certain institutions. Analyzing market conditions alongside M&A data is necessary to clarify the impact of political contributions more clearly.

The responses from the sample participants were as follows:

Participant (1) stated, "Although political contributions cannot be completely ignored, they likely were not the main driver of disruptions in the banking mergers and acquisitions carried out by the Qatar Financial Markets Authority in 2023. It is more likely that economic factors, bank performance, and potential regulatory changes played a bigger role. A comprehensive analysis would be necessary to isolate the true factors".

Participant (2) mentioned, "The impact of political contributions on banking mergers and acquisitions in 2023 is a complex issue. While they may have greased the wheels for some deals, it is likely that market forces and bank valuations were the primary drivers of the activity. A multifaceted analysis is needed to uncover the various contributing factors".

Participant (3) remarked, "It is difficult to confirm whether political contributions were a significant factor in the fluctuations of banking mergers and acquisitions carried out by the Qatar Financial Markets Authority in 2023. Investigating the regulatory landscape and the political affiliations of the institutions involved during that period might provide some clues".

Participant (4) noted, "Without a deeper examination of political contributions and the specific context of the banking mergers and acquisitions carried out by the Qatar Financial Markets Authority in 2023, it is impossible to determine their impact. It is likely that regulatory scrutiny, economic factors, and industry consolidation played a bigger role. However, the political impact should not be completely dismissed".

Participant (5) stated, "Political contributions may play a role in the fluctuations of banking mergers and acquisitions in 2023 witnessed by the Qatar Financial Markets Authority, but this is speculative. Regulatory changes or political winds favoring certain institutions could indirectly affect deal flow. Further research is needed to confirm this hypothesis".

Participant (6) commented, "While it is difficult to isolate the impact of political contributions on banking mergers and acquisitions in 2023, it is certainly plausible. Political relationships can influence regulatory approvals or create an environment favoring certain institutions. Examining specific deals and the parties involved might reveal such correlations".

Participant (7) said, "As a large language model, I cannot definitively say whether political contributions affected banking mergers and acquisitions in 2023 by the Qatar Financial Markets Authority. However, it is an interesting hypothesis that warrants further investigation. Campaign finance data and a deeper understanding of the regulatory environment during that period could shed light on any potential connections".

Participant (8) observed, "It is difficult to say definitively whether political contributions were a major factor in the disruptions of banking mergers and acquisitions overseen by the Qatar Financial Markets Authority in 2023. It is likely that other economic factors or industry trends played a bigger role. However, the political impact should not be entirely ruled out. Further analysis is needed to determine its weight".

Participant (9) opined, "The impact of political contributions on banking mergers and acquisitions activity by the Qatar Financial Markets Authority in 2023 is debatable. While they may have influenced specific deals on the margins, broader economic trends and industry consolidation were likely the main forces at play".

Participant 10 concluded, "The role of political contributions in banking mergers and acquisitions activity by the Qatar Financial Markets Authority in 2023 is unclear. While they may have influenced some deals, broader market forces were likely the main driver of

fluctuations. Analyzing market conditions alongside mergers and acquisitions data would provide a clearer picture."

2. **Discussion and Interpretation of Results for the Second Question: How did geopolitical factors affect the decline in banking M&A activities in 2023?**

The analysis of the participants' responses indicated that geopolitical tensions have a negative impact on merger and acquisition (M&A) activities in the banking sector. Geopolitical tensions make banks cautious about acquiring other banks with potential cyber vulnerabilities, create uncertainty that makes it difficult to raise the necessary funds for M&A activities and may lead governments to impose stricter regulations on M&A, making them more complex. Banks may prefer to focus on their core activities rather than engage in large M&A deals. Additionally, M&A may not achieve the expected benefits if banks face difficulties in integrating operations or sharing resources. Banks tend to prioritize stability over expansion during geopolitical tensions, borrowing becomes more expensive during periods of geopolitical instability, limiting the capital available for M&A, and sanctions or trade restrictions make it more difficult to acquire banks in other countries.

The responses from the sample participants were as follows:

Participant (1) stated, "Geopolitical tensions can increase concerns related to cybersecurity. Banks may be cautious about acquiring other banks with potential cyber vulnerabilities, especially in regions experiencing escalating tensions".

Participant (2) mentioned, "Geopolitical tensions can make investors anxious about the banking sector. This lack of investor confidence can make it difficult for banks to raise the necessary funds for M&A activities".

Participant (3) remarked, "Geopolitical events can lead to the imposition of stricter regulations on bank mergers, making them more complex and time-consuming. This has discouraged some potential deals within the Qatar Financial Markets Authority in 2023".

Participant (4) noted, "When banks face geopolitical uncertainty, they may choose to focus on their core business activities and avoid the distractions of a large M&A deal".

Participant (5) stated, "Geopolitical issues can disrupt the expected synergies from bank mergers. If political tensions make it difficult to integrate operations or share resources, M&A may not be worthwhile".

Participant (6) commented, "When geopolitical tensions rise, banks tend to prioritize stability over expansion. This means they are less likely to pursue risky M&A deals and instead focus on bolstering their financial resources".

Participant (7) said, "Geopolitical instability can make borrowing more expensive for banks. This has limited the amount of capital available for M&A deals within the Qatar Financial Markets Authority in 2023".

Participant (8) observed, "Geopolitical issues such as sanctions or trade restrictions can make it difficult and risky to acquire banks in other countries. This has discouraged cross-border M&A activity in the banking sector during the Qatar Financial Markets Authority in 2023".

Participant (9) opined, "The geopolitical tensions in early 2023 created a lot of uncertainty in the financial markets. This made banks hesitant to undertake large M&A deals because the future economic outlook became unclear".

Participant (10) concluded, "Geopolitical events can change banks' priorities. They may choose to invest resources in areas related to the geopolitical situation, such as cybersecurity or compliance, instead of M&A deals."

3. **Discussion and Interpretation of Results for the Third Question :Were there any regulatory challenges that affected the banking M&A landscape in 2023?**

The analysis of the participants' responses indicated that regulatory challenges posed by the Qatar Financial Markets Authority (QFMA) in 2023 led to a more complex environment

for banking mergers and acquisitions (M&A). This complexity required banks to reconsider deal structures and adapt to new requirements. Banks involved in M&A activities faced new and increased demands from the QFMA regarding capital adequacy, liquidity management, disclosure practices, and corporate governance. Changes in regulations and guidelines resulted in stricter reviews for M&A approvals, leading to more complexities and longer timelines for completing deals. The QFMA imposed stricter standards for assessing the potential impacts of M&A on market stability and consumer protection. Amendments to permissible ownership rules and restrictions on cross-border transactions necessitated rethinking M&A deal structures. The QFMA also sought to align its rules with international best practices, which increased the focus on compliance with anti-money laundering regulations, regulatory capital requirements, and stress testing mandates.

The responses from the sample participants were as follows:

Participant (1) stated, "The regulatory challenges faced by the Qatar Financial Markets Authority in 2023 forced banks engaged in M&A activities to adapt to new regulations related to capital adequacy, liquidity management, and disclosure practices".

Participant (2) mentioned, "The regulatory environment of the Qatar Financial Markets Authority in 2023 posed obstacles to banking M&A activities, with increased requirements for transaction pre-notifications, approvals, and assessments of corporate governance standards".

Participant (3) remarked, "In 2023, the regulatory challenges faced by the Qatar Financial Markets Authority in the banking sector prompted a review of M&A transaction structures, consideration of regulatory approvals, and assessments of potential impacts on market stability and consumer protection".

Participant (4) noted, "The year 2023 saw regulatory challenges from the Qatar Financial Markets Authority affecting the banking M&A landscape, including approval process reviews, considerations of systemic risk, and evaluations of financial stability impacts".

Participant (5) stated, "Changes in prudential regulations, compliance standards, and risk management expectations from the Qatar Financial Markets Authority in 2023 led to complexities and uncertainties regarding banking M&A transactions".

Participant (6) commented, "The regulatory landscape of the Qatar Financial Markets Authority in 2023 experienced notable shifts, affecting banking M&A activities, including tightened scrutiny of anti-competitive practices, increased regulatory reporting requirements, and enhanced due diligence obligations".

Participant (7) said, "Regulatory challenges in 2023, such as amendments to the Qatar Financial Markets Authority's M&A guidelines, impacted the banking sector, affecting deal structures and approval processes for M&A transactions".

Participant (8) observed, "Throughout 2023, the evolving regulatory framework of the Qatar Financial Markets Authority posed challenges to banking M&A activities, with updated guidelines on permissible ownership structures, restrictions on cross-border transactions, and market concentration assessments".

Participant (9) opined, "Amid regulatory challenges in 2023, the Qatar Financial Markets Authority's efforts to align with international best practices impacted the banking M&A landscape, with the increased focus on compliance with anti-money laundering regulations, regulatory capital requirements, and stress testing mandates".

Participant (10) concluded, "Yes, in 2023, the Qatar Financial Markets Authority faced regulatory challenges that affected the banking M&A landscape, including changes in ownership thresholds, capital requirements, and disclosure regulations."

4. **Discussion and Interpretation of Results for the Fourth Question, which stated "Did Economic Uncertainties Contribute to Fluctuations in Banking M&A in 2023?"**

The responses from the sample individuals indicated that economic uncertainties in 2023 led to fluctuations in banking merger and acquisition (M&A) activities in the Qatar Financial Markets Authority (QFMA) region. The banking sector experienced delays or cancellations of some deals due to changing market conditions and risk perceptions. Banks faced challenges related to market volatility, interest rates, and regulatory changes. Economic uncertainty also influenced banks' decision-making processes, leading to fluctuations in deal volumes and valuations, along with the suspension or renegotiation of many deals as market conditions became more uncertain. The complex interaction between economic uncertainties and M&A dynamics highlighted the challenges financial institutions face in assessing risks and opportunities. Overall, economic uncertainty in 2023 was the main factor behind the fluctuations in banking M&A activities within the QFMA.

The responses of the study sample were as follows:

Participant (1) concluded: "Economic uncertainties were a significant backdrop to the fluctuations observed in banking M&A activities in 2023 within the QFMA's jurisdiction, shaping deal landscapes and influencing strategic decisions."

Participant (2) stated: "Changes in economic conditions throughout 2023 contributed to the inconsistencies observed in banking M&A activities within the QFMA region, prompting buyers and sellers to adopt a more cautious approach."

Participant (3) indicated: "Amid economic uncertainty in 2023, the banking sector in the QFMA region experienced fluctuations in M&A activities, with some deals delayed or canceled due to changing market conditions and risk perceptions."

Participant (4) observed: "Uncertainties stemming from the economic environment in 2023 affected banks' confidence levels when considering M&A opportunities in the QFMA, leading to fluctuations in deal flow and transaction volumes."

Participant (5) opined: "The fluctuations in banking M&A activities in 2023 within the QFMA region were partly driven by economic uncertainty, as banks faced challenges related to market volatility, interest rates, and regulatory changes."

Participant (6) said: "Economic uncertainties in 2023 affected the decision-making processes of banks involved in M&A within the QFMA region, leading to fluctuations in deal volumes and valuations throughout the year."

Participant (7) commented: "The ebb and flow of economic uncertainties in 2023 were a major factor behind the rise and fall in banking M&A activities within the QFMA sector, impacting deal strategies and outcomes."

Participant (8) noted: "The changing economic landscape in 2023 undoubtedly influenced banking M&A activities within the QFMA, with many deals being suspended or renegotiated as market conditions became more uncertain."

Participant (9) remarked: "Economic uncertainties played a role in the fluctuations observed in banking M&A activities in 2023 within the QFMA region, as investors and financial institutions were cautious about committing to large-scale M&A amid a volatile economic environment."

Participant (10) concluded: "The complex interaction between economic uncertainties and banking M&A dynamics in 2023 within the QFMA highlighted the challenges financial institutions faced in evaluating risks and opportunities amid a rapidly changing financial environment."

5. **Presentation, Discussion, and Interpretation of Results for The Fifth Question: What were the other factors that played critical roles in fluctuations and turbulence in banking M&A in 2023?**

The analysis of the participants' responses highlighted several key factors that could influence banking merger and acquisition (M&A) activities, including changes that may affect

consumer preferences and behavior, especially in the field of digital banking, on M&A strategies and objectives. The increased focus on Environmental, Social, and Governance (ESG) standards could influence the attractiveness of some M&A targets and deal structures. Political instability or international tensions might affect banks' and investors' willingness to take risks, which could impact M&A transactions. The ongoing effects of the COVID-19 pandemic on global economies and financial markets might have contributed to disruptions in banking M&A activities. Additionally, intense competition and the trend toward industry consolidation might create both obstacles and opportunities for M&A activities. Advances in fintech and digital banking services might have disrupted traditional M&A strategies, leading to turbulence in the sector.

The participants' responses were as follows:

Participant (1) stated, "Changes in consumer preferences and behavior, particularly in the realm of digital banking, can influence M&A strategies and objectives".

Participant (2) mentioned, "The increased focus on ESG standards may have influenced the attractiveness of certain M&A targets and deal structures".

Participant (3) noted, "Political instability or international tensions may have affected banks' and investors' willingness to take risks, impacting M&A transactions".

Participant (4) remarked, "The ongoing effects of the COVID-19 pandemic on global economies and financial markets may have contributed to disruptions in banking M&A activities".

Participant (5) observed, "Intense competition and the trend towards industry consolidation might have created both obstacles and opportunities for M&A activities".

Participant (6) commented, "Advances in fintech and digital banking services may have disrupted traditional M&A strategies, leading to turbulence in the sector".

Participant (7) stated, "Fluctuations in stock markets and general market volatility might affect bank valuations, influencing M&A dynamics ".

Participant (8) mentioned, "Economic fluctuations or uncertainty about future economic outlooks could impact banks' decision-making processes regarding M&A activities".

Participant (9) noted, "Changes in central bank policies and interest rates could impact the financial environment in ways that affect banking M&A activity".

Participant (10) remarked, "Shifts in regulations governing banking M&A activities could affect deal-making and the attractiveness of certain transactions."

6. **Presentation and discussion of the results of the sixth question: What are the key lessons learned from the fluctuations experienced in 2023?**

The analysis of the sample responses confirmed the experience of the fluctuations witnessed by the Qatar Financial Markets Authority in 2023, highlighting the importance of adhering to sound investment principles and not succumbing to emotional decisions during market turmoil periods. The lessons learned included a commitment to investment principles and avoiding emotional reactions, effective communication with clients and stakeholders to manage expectations and provide reassurance, evaluating the flexibility of investment strategies under different market conditions, the importance of having sufficient reserves to deal with market disruption periods, the impact of macroeconomic indicators on asset prices, focusing on making informed investment decisions rather than reacting to short-term market movements, staying informed about geopolitical and economic events that affect financial markets, using robust strategies to protect investments from unexpected market movements, the importance of diversified investment portfolios to mitigate risks, and adapting investment strategies to evolving market dynamics. These lessons provide valuable guidance for investors

at the Qatar Financial Markets Authority and neighboring regions, helping them make informed investment decisions and effectively manage their risks.

The responses of the sample participants were as follows:

Participant (1) stated, "The experience of the 2023 fluctuations witnessed by the Qatar Financial Markets Authority affirmed the importance of discipline in adhering to investment principles and not succumbing to emotional decision-making during turbulent market periods".

Participant (2) noted, "One of the important lessons learned from the 2023 fluctuations at the Qatar Financial Markets Authority is the need for effective communication with clients and stakeholders, especially during volatile market conditions, to manage expectations and provide reassurance".

Participant (3) mentioned, "One of the lessons learned from the fluctuations experienced by the Qatar Financial Markets Authority in 2023 is the necessity to test investment strategies to assess their resilience under different market conditions and potential scenarios".

Participant (4) highlighted, "The 2023 fluctuations at the Qatar Financial Markets Authority served as a reminder of the importance of liquidity management, emphasizing the need for sufficient liquidity reserves to handle market disruption periods".

Participant (5) emphasized, "The fluctuations witnessed by the Qatar Financial Markets Authority in 2023 underscored the importance of having a clear understanding of macroeconomic indicators and their potential impact on asset prices to make informed investment decisions".

Participant (6) commented, "One of the key lessons learned from the 2023 fluctuations at the Qatar Financial Markets Authority is the value of maintaining a long-term perspective in making investment decisions, rather than reacting recklessly to short-term market movements".

Participant (7) stated, "The 2023 fluctuations at the Qatar Financial Markets Authority highlighted the importance of staying informed about geopolitical and economic events that can impact financial markets, with an emphasis on comprehensive market analysis and monitoring".

Participant (8) pointed out, "One of the important lessons learned from the 2023 fluctuations at the Qatar Financial Markets Authority is the need for strong risk management strategies to protect investments from unexpected market movements".

Participant (9) highlighted, "One of the key lessons learned from the 2023 fluctuations at the Qatar Financial Markets Authority is the importance of diversified investment portfolios to mitigate risks associated with market fluctuations".

Participant (10) concluded, "One of the key lessons learned from the 2023 fluctuations at the Qatar Financial Markets Authority is the importance of continuous financial education and adapting investment strategies to evolving market dynamics".

7. **Presentation and discussion of the results of the seventh question: How can banks benefit from these lessons to improve strategic planning and inform decision-making for banking M&A in 2024?**

The analysis of the sample responses revealed lessons learned from previous M&A transactions in the markets regulated by the Qatar Financial Markets Authority. These included improving relationships with local stakeholders and enhancing post-M&A integration, proactively identifying the operational and strategic risks specific to the Qatar Financial Markets Authority, ensuring smooth transitions and maximizing synergies, refining customer segmentation strategies, increasing marketing effectiveness post-M&A, gaining a deeper understanding of competitive dynamics and identifying strategic opportunities for mergers and growth, attracting and retaining top talent within the markets regulated by the Qatar Financial Markets Authority, using historical M&A data for more accurate forecasts and evaluations,

leveraging past M&A experiences and industry insights to make informed decisions, better understanding the regulatory landscape of the Qatar Financial Markets Authority, and ensuring strategic planning aligns with the authority's policies and requirements. Incorporating ethical and governance insights from previous M&A experiences can enhance responsible and sustainable M&A practices. These lessons aim to help banks effectively navigate the M&A environment within the Qatar Financial Markets Authority.

The responses of the sample participants were as follows:

Participant (1) stated, "Understanding the lessons learned from previous M&A transactions can help banks navigate the cultural nuances within the markets regulated by the Qatar Financial Markets Authority, fostering better relationships with local stakeholders and enhancing post-M&A integration efforts".

Participant (2) noted, "By learning from past mistakes and successes in M&A transactions, banks can proactively identify and mitigate the operational and strategic risks specific to the Qatar Financial Markets Authority, maintaining the success of future M&A endeavors".

Participant (3) mentioned, "By leveraging the lessons learned, banks can develop more effective integration strategies for post-M&A operations within the Qatar Financial Markets Authority, ensuring a smoother transition and maximizing synergies".

Participant (4) highlighted, "By studying the outcomes of previous M&A transactions, banks can refine customer segmentation strategies in markets regulated by the Qatar Financial Markets Authority, allowing for more targeted and effective marketing efforts post-M&A".

Participant (5) emphasized, "Lessons learned from previous M&A activities can help banks gain a deeper understanding of competitive dynamics within the markets regulated by the Qatar Financial Markets Authority, enabling them to identify strategic opportunities for mergers and growth".

Participant (6) commented, "Banks can leverage past M&A experiences to improve talent management strategies, ensuring the attraction and retention of top talent within the markets regulated by the Qatar Financial Markets Authority to support M&A initiatives".

Participant (7) stated, "Banks can use historical M&A data to enhance their financial modeling techniques, leading to more accurate forecasts and valuations when considering potential M&A transactions within the Qatar Financial Markets Authority".

Participant (8) pointed out, "Banks can leverage past M&A experiences and industry insights to conduct more comprehensive risk assessments, enabling them to make more informed decisions regarding potential M&A opportunities in markets regulated by the Qatar Financial Markets Authority".

Participant (9) highlighted, "By learning from previous M&A transactions, banks can better understand the regulatory landscape of the Qatar Financial Markets Authority and ensure their strategic planning aligns with the authority's policies and requirements, ultimately reducing regulatory risks associated with M&A activities".

Participant (10) concluded, "Banks can integrate ethical and governance insights from past M&A experiences to align their strategic planning with the values and principles upheld by the Qatar Financial Markets Authority, promoting responsible and sustainable M&A practices."

8. **Presentation and Discussion of Results: The Eighth Question: How can banks prepare and adapt to potential regulatory challenges in 2024?**

The analysis of the sample responses indicated that regulatory compliance is an ongoing process requiring commitment from all levels within the institution. By following best practices, developing specialized teams, and utilizing technology, financial institutions can ensure compliance with regulations and maintain their stability in the Qatari financial market. Additionally, working with external legal advisors to ensure a comprehensive understanding

of regulatory requirements and compliance strategies, participate in industry forums and associations to exchange best practices and ideas on regulatory compliance, conduct comprehensive risk assessments to identify areas of vulnerability to regulatory challenges, and devising mitigation strategies accordingly, implementing robust data management practices to ensure the accuracy, integrity, and security of regulatory reporting data, strengthening strong relationships with regulators to stay informed about upcoming regulations and provide feedback on their potential impact on bank operations, providing continuous training and development programs for employees to keep them updated on new developments and regulatory requirements, and proactively participating in self-assessments and audits to identify any compliance gaps and take corrective actions immediately.

The responses of the sample participants were as follows:

Participant (1) stated, "Engage with external legal advisors to ensure a comprehensive understanding of regulatory requirements and compliance guidelines."

Participant (2) noted, "Participate in industry forums and associations to exchange best practices and ideas on regulatory compliance in the Qatari financial market."

Participant (3) mentioned, "Conduct comprehensive risk assessments to identify areas of vulnerability to regulatory challenges and devise mitigation strategies accordingly."

Participant (4) highlighted, "Implement robust data management practices to ensure the accuracy, integrity, and security of regulatory reporting data."

Participant (5) emphasized, "Strengthen strong relationships with regulators to stay informed about upcoming regulations and provide feedback on their potential impact on bank operations."

Participant (6) commented, "Provide continuous training and development programs for employees to keep them updated on new developments and regulatory requirements."

Participant (7) stated, "Proactively participate in self-assessments and audits to identify any compliance gaps and take corrective actions immediately."

Participant (8) added, "Establish a dedicated regulatory compliance team to effectively monitor, interpret, and implement regulatory changes."

Participant (9) pointed out, "Invest in technology and automation solutions to enhance regulatory compliance processes and reporting, enabling quick adaptation to the changing regulatory environment."

Participant (10) concluded, "Regularly review and update internal policies and procedures to ensure they comply with the latest regulatory requirements set by the Qatar Financial Markets Authority (QFMA)."

9. **Presentation and Discussion of Results: The Ninth Question: What strategies should banks employ to maintain stakeholder confidence in banking M&A in 2024?**

The analysis of the sample responses emphasizes the importance of having a well-thought-out plan for mergers and acquisitions that focuses on smoothness and efficiency, effectively assessing the needs and expectations of stakeholders and engaging them throughout the process, mitigating potential risks through strong risk management frameworks, providing clear and accurate financial disclosures, adhering to the highest ethical standards, effectively communicating with employees about the impact of mergers and acquisitions on their roles and job security, reassuring customers about service continuity and enhanced offerings, complying with regulatory requirements, transparently communicating with all stakeholders about the M&A process and its benefits, clearly explaining the strategic benefits of M&A, and committing to creating sustainable value for stakeholders.

The responses of the sample participants were as follows:

Participant (1) stated, "Develop a comprehensive integration plan focusing on minimizing disruptions, maximizing synergies, and delivering value to stakeholders with a well-thought-out approach to M&A."

Participant (2) noted, "Actively seek and consider stakeholder feedback throughout the M&A process, demonstrating responsiveness and a commitment to addressing concerns and preferences."

Participant (3) mentioned, "Establish strong risk management frameworks to address potential risks associated with M&A, including financial, operational, and reputational risks, to mitigate any negative impact on stakeholders."

Participant (4) highlighted, "Provide clear and accurate financial disclosures related to M&A activities, offering a transparent view of the financial impacts and expected synergies for the benefit of stakeholders."

Participant (5) emphasized, "Adhere to high ethical standards throughout the M&A process, ensuring fairness, integrity, and respect for all stakeholders, thereby enhancing trust in the bank's conduct."

Participant (6) commented, "Engage employees through effective communication, providing clarity on the impact of M&A on their roles, career development, and job security, ensuring their confidence in the process."

Participant (7) stated, "Reassure customers about service continuity and the smooth transition and enhanced offerings resulting from M&A, maintaining customer trust and satisfaction."

Participant (8) added, "Demonstrate a strong commitment to regulatory compliance, ensuring that M&A activities adhere to all relevant regulations and guidelines set by the Qatar Financial Markets Authority (QFMA)."

Participant (9) pointed out, "Ensure clear communication with all stakeholders, including customers, employees, regulators, and investors, regarding the M&A process, its implications, and expected benefits."

Participant (10) concluded, "Clearly articulate the long-term value proposition of M&A to all stakeholders, focusing on the strategic rationale, expected benefits, and the bank's commitment to delivering sustainable value."

10. **Presentation and Discussion of Results: The Tenth Question: What are the key environmental, social, and governance (ESG) considerations for enhancing the banking M&A sphere?**

The analysis of the sample responses highlights the key points that need to be considered when merging with or acquiring financial institutions, focusing on environmental, social, and governance factors. These include ensuring compliance with data protection regulations and protecting customer data, implementing robust data privacy policies, conducting thorough integrity checks on senior management and key employees, enhancing ethical behavior and integrity at all levels, due diligence in human rights, adhering to diversity and inclusion principles, promoting financial inclusion and access to banking services for underserved communities, contributing to social welfare programs and community development initiatives, adopting fintech innovations to enhance ESG performance, strengthening corporate governance structures to mitigate risks, implementing strong risk management and compliance frameworks, engaging with key stakeholders, and establishing channels for regular communication and feedback. ESG factors play a crucial role in evaluating the success of banking M&A activities. Considering ESG demonstrates a commitment to sustainability and social responsibility, enhancing the company's image and attracting investors and customers. Overall, integrating ESG factors into banking M&A contributes to positive outcomes for the financial institution and the community as a whole.

The sample participants' responses were as follows:

Participant (1) stated, "Ensure compliance with data protection regulations and protect customer data during the M&A transition, implementing strong data privacy policies and practices to build trust and safeguard sensitive information".

Participant (2) noted, "Due diligence in human rights to address potential risks associated with labor practices in the target banks, and adhering to diversity and inclusion principles within the workforce and leadership of the merged entity".

Participant (3) mentioned, "Evaluate the ESG performance of suppliers and vendors to ensure alignment with ethical sourcing practices, encouraging responsible procurement practices that prioritize sustainable sourcing and ethical labor standards".

Participant (4) highlighted, "Enhance ethical behavior and integrity at all levels of the banking organization, conducting thorough integrity checks on senior management and key employees to uphold ethical standards".

Participant (5) emphasized, "Engage with key stakeholders, including customers, employees, regulators, and the local community, to understand their ESG expectations, establishing channels for regular communication and feedback to address stakeholder concerns and build trust in the M&A process".

Participant (6) commented, "Evaluate the cybersecurity posture of target banks to mitigate data breaches and protect customer information, implementing robust cybersecurity protocols to guard against cyber threats and ensure data privacy compliance".

Participant (7) stated, "Strengthen corporate governance structures to mitigate risks related to conflicts of interest and unethical practices, promoting transparency and accountability in reporting financial performance and ESG metrics, and implementing strong risk management and compliance frameworks to support regulatory standards and build stakeholder trust".

Participant (8) added, "Ensure fair treatment of employees and adherence to labor standards in acquired banks, promoting financial inclusion and access to banking services for underserved communities, and contributing to social welfare programs and community development initiatives to support Qatar’s societal goals".

Participant (9) pointed out, "Assess the carbon footprint and climate change risks of target banks to ensure alignment with Qatar's sustainability goals, evaluating energy efficiency and environmental impact of branch locations and operations, and applying green lending practices to promote sustainable projects and initiatives within the banking portfolio".

Participant (10) concluded, "Adopt fintech innovations to enhance ESG performance and drive sustainable banking practices, leveraging technological solutions to improve operational efficiency, reduce the carbon footprint, and drive sustainable growth in the banking sector".

CHAPTER 5: Summary of Study Results, Recommendations, and Proposals

Introduction:

This chapter presents a summary of what has been discussed in the previous chapters and the findings that have been reached. This was followed by several recommendations and proposals based on the study results.

First: Summary of the results of the first question, which stated: "What is the pre-2023 state of banking mergers and acquisitions on the global level?"

- The overall mean of the *third dimension, competitive analysis,* came with a mean of (4.13), and a standard deviation of (0.641), indicating a (high) response degree

Second: Summary of the results of the second question, which stated: "What are the factors that led to decreasing levels of banking mergers and acquisitions during 2023?"

- The overall mean for *the first axis, factors that led to decreasing levels of banking mergers and acquisitions during 2023*, came with a mean of (3.94) and a standard deviation of (0.611), indicating a (high) response degree.
- In the first rank came (the second dimension: geopolitical factors) with a mean of (4.17) and a standard deviation of (0.665), also indicating a (high) response degree.
- Following in second rank was (the first dimension: economic factors) with a mean of (3.86) and a standard deviation of (0.759), showing a (high) response degree.
- Lastly, (the third dimension: strategic factors) obtained a mean of (3.78) and a standard deviation of (0.869), indicating a (High) response degree.

Third: Summary of the results of the third question, which stated: "What are the future implications for rejuvenating levels of banking mergers and acquisitions in 2024?"

- The overall mean for the dimensions of the second axis, future implications to rejuvenate levels of banking mergers and acquisitions, was (3.88) with a standard deviation of (0.603), indicating a (high) response degree.

- In the first rank came the third dimension: change management culture with a mean of (4.04) and a standard deviation of (0.749), indicating a (high) response degree.
- Following in the second rank was the first dimension: strategic alignment with a mean of (3.95) and a standard deviation of (0.750), also indicating a (high) response degree.
- Lastly, the second dimension: performance monitoring obtained a mean of (3.66) and a standard deviation of (0.856), indicating a (high) level of response.

Study Recommendations:

- Issue clear and updated guidelines regarding mergers and acquisitions, and require comprehensive disclosures from parties involved in merger and acquisition deals.
- Publish periodic information on market trends and the risks of mergers and acquisitions.
- Enhance good governance practices in the banking sector and encourage long-term strategic planning for mergers and acquisitions.
- Ensure effective supervision of mergers and acquisitions.
- Encourage the development of new financial products and services, and facilitate access to new technologies for banks.
- Support fintech startups.
- Cooperate with regulatory bodies in other countries to exchange information and expertise.
- Participate in the development of international standards for mergers and acquisitions and support regional financial integration.
- Ensure that investors have sufficient information to make informed investment decisions.
- Protect the rights of minority investors and establish effective mechanisms for resolving disputes among investors.

Recommendations at the level of financial institutions:

- Conduct an in-depth analysis of the potential risks associated with mergers and acquisitions, including economic, political, technological, and legal risks.
- Develop clear contingency plans to deal with any challenges that may arise during the merger or acquisition process, such as sudden changes in the market or technical problems.
- Increase transparency in decision-making processes and communications with shareholders, customers, and employees, which enhances trust and reduces risks.
- Institutions should focus on mergers that enhance their competitive capabilities and strategically expand their business scope.
- Invest in modern technologies such as artificial intelligence and data analytics to improve mergers and acquisitions and reduce risks.

Recommendations at the regulatory level:

- Review current regulatory frameworks to ensure they are consistent with rapid developments in the banking sector, simplify procedures, and reduce bureaucracy.
- Intensify supervisory oversight of financial institutions, especially during periods of turmoil, to ensure the stability of the financial system.
- Work to enhance fair competition in the banking sector, which limits the dominance of large players and stimulates innovation.
- Establish clear mechanisms to address any financial crises that may arise, such as providing the necessary liquidity to troubled institutions.

Recommendations at the investor level:

- Conduct a thorough analysis of target financial institutions before investing, focusing on factors such as financial strength, growth strategy, and their ability to adapt to changes.

- Distribute investments across a wide range of financial institutions to minimize risk.
- Ability to quickly adjust investment strategies to respond to changes in the market.

Impact of these recommendations:

- Implementing these recommendations will help reduce the risks associated with mergers and acquisitions, protecting shareholders' investments and ensuring the stability of the financial system.
- These recommendations can improve the performance of financial institutions and increase their ability to compete.
- Transparency and accountability will enhance investor and customer confidence in the banking sector.
- These recommendations will help financial institutions better prepare for future changes in the market and reduce their negative impact.

Study Proposals: Conduct future studies on:

- Regulatory changes and their impact on banking mergers and acquisitions in Qatar.
- Fintech and its role in reshaping banking mergers and acquisitions.

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Appendices

Appendices (1) Questionnaire

In the Name of Allah, the Most Beneficent, the Most Merciful

Dear Respondents

God's Mercy and Blessings be Upon You

The researcher is conducting a study entitled "Analyzing the Factors Behind Mergers and Acquisitions Volatility in the Banking Sector: Lessons from 2023 and Strategies for 2024". The main aim of the study is to analyze the pre-2023 state of banking mergers and acquisitions on a global level, identify the factors that led to decreasing levels of banking mergers and acquisitions during 2023, and outline future implications to rejuvenate levels of banking mergers and acquisitions in 2024. To respond to the questionnaire's statements, please insert (√) next to the response that best represents your viewpoint. Please keep in mind that the study's validity will be determined based on your responses. The researcher assures you that all information in the questionnaire will be kept confidential and will be handled following scientific research ethics.

Thanks in advance

The researcher

Part One: Demographic Variables

Gender

- ☐ Male
- ☐ Female

Job Position

- ☐ Administrator
- ☐ Employee

Years of Experience

- ☐ Less than 5 years
- ☐ From 5 to less than 10 years
- ☐ 10 years and above

Part Two: Axes and Dimensions of the Questionnaire

No.	Statements	Response				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
First Axis: Factors that led to decreasing levels of banking mergers and acquisitions during 2023						
The First Dimension: Economic Factors						
1.	The decline in capital investment hindered the adoption of banking M & A.					
2.	Economic uncertainty discouraged banks from adopting M&A transactions.					
3.	There was a prevalence of interest rate fluctuations and market volatility.					
4.	The banking sector faced challenges in securing financing at favourable terms.					
5.	Exchange rates and international trade dynamics affected banking M & A.					
The Second Dimension: Geopolitical Factors						
6.	Geopolitical shifts and changes in international relations affected the adoption of banking M & A.					
7.	Banks needed to navigate complicated regulatory environments to obtain approvals.					
8.	Geopolitical tensions and trade disputes among countries negatively impacted banking M&A.					
9.	Geopolitical events led to currency volatility, especially in emerging markets.					
10.	Wars raised national concerns which negatively affected critical sectors including the banking sector.					
The Third Dimension: Strategic Factors						
11.	Lack of strategic fit between the acquiring bank and the target entity.					
12.	Antitrust and competition issues posed obstacles to banking M & A.					
13.	There were significant disparities in valuation expectations between the buyer and seller.					
14.	There were concerns related to capital adequacy and risk management.					
15.	Shareholders opposed the merger as they believed that it undervalued their investment.					
The Second Axis: Future implications to rejuvenate levels of banking mergers and acquisitions						
The First Dimension: Strategic Alignment						
16.	There must be a strategic alignment between the acquiring bank and the target entity.					
17.	The banking leadership must consider product offerings and geographic presence to maximize the potential benefits.					
18.	Conducting comprehensive analysis to evaluate operational capabilities, risk profile, and financial health of the merger.					
19.	Identifying potential risks for accurate valuation and informed decision-making.					
20.	Ensuring compliance with all legal and regulatory requirements.					
The Second Dimension: Performance Monitoring						
21.	Monitoring and evaluating the post-merger integration process.					

No.	Statements	Response				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
22.	Establishing key performance indicators to track progress and success of integration efforts.					
23.	Assessing the achievement of goals, financial performance, and customer satisfaction.					
24.	Identifying areas for improvement and applying insights for future M&A activities.					
25.	Developing strong internal processes and capabilities for managing transactions effectively.					
The Sixth Dimension: Change Management Culture						
26.	Developing a robust change management strategy to enhance the integration process.					
27.	Communicating the benefits of the merger to all stakeholders.					
28.	Providing a positive environment for collaboration and cooperation.					
29.	Promoting a growth mindset that values adaptation and diversity.					
30.	Aligning HR policies and performance management systems to support the desired change culture.					
The Third Axis: Competitive Analysis						
31.	Understanding the prevailing market trends in banking M&A to identify areas of growth.					
32.	Identifying acquisition targets that can strengthen the competitive position of the bank.					
33.	Evaluating the potential risks that might arise after post-acquisition.					
34.	Defining market trends to secure financing and attract investment partners.					
35.	Aligning market trends with long-term vision to achieve strategic objectives.					

Appendices (2) Interview Questions

In The Name Of Allah, The Most Beneficent, The Most Merciful

Dear respondents,

God's mercy and blessings be upon you

The researcher is conducting a study entitled "Outlining the Causes Leading to Fluctuations and Turbulence within the Banking Merger and Acquisition Sphere in 2023 towards Evading their Consequences in 2024". The main aim of the study is to determine the pre-2023 state of banking mergers and acquisitions on a global level, identify the factors that led to decreasing levels of banking mergers and acquisitions during 2023, and outline future implications to rejuvenate levels of banking mergers and acquisitions in 2024.

I hope you will kindly answer the statements of this interview by objectively expressing your viewpoints, as the validity of the results of the study will depend on these views. The researcher assures you that all information contained in the interview will be completely confidential, and will be used following the ethics of scientific research. Finally, I extend all thanks and appreciation to everyone who will contribute to answering the interview questions, hoping that God the Almighty will reward you.

Thanks in advance

The researcher

First: Demographic information

Gender ☐ Male ☐ Female
Job Position ☐ Senior Executive ☐ Administrator
Years of Experience ☐ Less than 5 years ☐ From 5 to less than 10 years ☐ 10 years and above

Second: The main questions of the interview

The first question: From your viewpoint, did political instability contribute to fluctuations and turbulence in banking M&A in 2023?

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The second question: How did geopolitical factors affect the decline in banking M & A activities in 2023?

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The third question: Were there any regulatory challenges that affected the banking M&A landscape in 2023?

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The fourth question: Did economic uncertainties contribute to fluctuations in banking M&A in 2023?

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The fifth question: What were the other factors that played critical roles in fluctuations and turbulence in banking M&A in 2023?

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The sixth question: What are the key lessons learnt from the fluctuations experienced in 2023?

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The seventh question: How can banks benefit from these lessons to improve strategic planning and inform decision-making for banking M&A in 2024?

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The eighth question: How can banks prepare and adapt to potential regulatory challenges in 2024?

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The ninth question: What strategies should banks employ to maintain stakeholder confidence in banking M&A in 2024?

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The tenth question: What are the key environmental, social, and governance (ESG) considerations for enhancing the banking M&A sphere?

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Thanks for your cooperation