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Assessing the Impact of M&As' Motives Influencing the M&A Decision Making Process in the UAE Banking Sector

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ABSTRACT

A number of review studies have been conducted to provide valuable insights into the M&A decision-making process in the banking sector and factors that could have a positive and effective impact on it. This study systematically reviews and analyses the decision-making process for M&A and its related factors in 15 interviews with experts related to 10 M&A transaction in UAE banking sector from 2005 to 2021. The main findings contain that the most frequent factors affecting M&A decision-making are Regulation, Globalization, Technology and Economics. In addition, most of the M&A decision-making relevance is also affected by the internal factors of Synergy, Agency and Management Motives, Hubris Motives. The findings of this review study provide an overview of current studies and analyses of the M&A decision-making process in the banking sector and the factors that affect it.

Keywords: Banking, Mergers and Acquisitions, Bank Performance, Motives
JEL Classifications: G21, G34, D81

1. INTRODUCTION

The last 20 years have seen an exceptionally productive economy for the UAE. The country's GDP quickly began to increase rapidly, particularly during the rise in real estate development between 2003 and 2008. The rise of the UAE decelerated in 2009 and 2010, during the first period of stable economic recital. Slowing down was particularly evident in two pretentious fields during the 2008 financial crisis, specifically in housing and finance. The UAE government is successfully promoting nation development in accordance with the Economic Vision for the UAE leading to 2030, an optimistic strategic roadmap for developing nation's economy. Mergers and acquisitions in the UAE banking sector continue to be the most common regional growth strategies in recent years for UAE Banks.

Merger and acquisitions as well as takeovers are considered of the most common terminology in the banking sector to describe when two or more banks unite. In merger scenario, the board of directors of two or more banks agree to join and seek the approval of the pool of shareholders. Although the share percentage arrangement must be determined by both boards of directors. In other words, a merger is a legal merger between two or more companies into one entity. On the other hand, acquisition, sometimes being called a takeover, is a legal process of a corporate taking over another one through a purchase and finally starting up as the new owner. Executives see mergers and acquisitions as strategies for retaining the business and increasing shareholder equity of their entities and competing for marinating a position in the market (Nguyen and Kleiner, 2003).

Merger and Acquisition Mergers arise as two entities readily decide to cooperate with each other by aggregating their assets, liabilities, and interests on a relatively equal basis, intersecting dissimilar entities and sectors. Achievements of differences arise as one company owns and assumes on the activities of another entity. The words Mergers and Acquisitions are exchangeable on a second-hand basis as the result is the same – one corporation assumes ownership over another (Halperin and Bell, 1992), and the firm's activity is often referred to as Merger and Acquisition (M&A).

1.1. Research Problem

To assess the impact of Acquisitions and Mergers' motives on the UAE Banking Sector by measuring identifying and measuring the effect of M&A external and internal factors influencing the M&A decision making process. The second stage is measuring the efficiency performance of banking sector with the focus on previous M&A already occurred on the past 18 years since many banks were involved in either merge or acquisition process.

1.2. Interview Questions

Q1: Rate the below Motives (5 being the most influencing)
Q2: Post-Acquisition Management (5 being the most influencing)
Q3: Post-Acquisition Performance Evaluation (5 being the most influencing)
Q4: Critical factors on UAE Economy in the past 15 years? (5 being the most influencing).

1.3. Research Objectives

Merger and Acquisition (M&A) operations have been increasingly worldwide over the last two decades, steadily rising from the low rates at the base year after the financial crises year of 2008. In addition, this comprehensive analysis will concentrate on UAE mergers and acquisitions in the financial industry and as outlined in Table 1, will concentrate on the banking sector, where mergers and acquisitions took place between 2005 and 2021. It is obvious that since 2008 a lot of M&A has happened in the banking sector. That is attributed mostly to financial problems, where mergers or acquisitions have been used as a coping tactic to survive in the business.

Ravichandran, 2009 indicated that big influences driving the merger and acquisition cycle are due to the increase of globalization, low-cost funding and the existing financial situation, and hence the need for major companies to be creative to bid for revenue development and income. In addition, the rise in capitalization across national boundaries owing to financial consolidation and a competitive economy in developing countries. The core aspect of M&A growth is the intensified globalization of acquisition in the quest for better levels of returns and a chance to distinguish risk, and many companies experience the unyielding curiosity in roaming overseas or inside their territories (Ravichandran, 2009). This systematic research is a continuation of the work done previously in this area. Finally, to be more precise, the objective of this study is to measure the impact of Mergers & Acquisitions motives on the UAE's banking sector.

1.4. Research Importance

According to Banerjee and Kapur (2020). UAE is classified as an overbanked market with 22 local national banks, 27 branches of foreign banks and 11 wholesale foreign bank branches as on June 30, 2019. Banking firms have been the main player in the financial system in the UAE for the past two decades, and thus banks have played a major role in economic development, such as acting as intermediaries between lenders and borrowers. Interest rates imposed by banks, for example, can easily affect the entry and development of businesses in the country. Banking crises, such as the 2008 global financial crisis, have paid close attention to make banking and monetary institutions healthier and stronger than tremors. Where the banking sector of the UAE has been affected by crises and precautions and the solid economy can withstand such shocks in the future.

The latest UAE Central Bank Act, released in 2019, has promoted the role of the Central Bank towards controlling more the extraordinary competition in the field of business and promoting mergers and acquisitions. In the view of many bankers that combined and/or acquired banks may support each other and render more productive through accumulated knowledge, expertise, and technical details.

Mergers and acquisitions (M&As) have become an essential strategy for growth and consolidation in the banking sector. M&As are undertaken for various motives, such as cost savings, revenue growth, diversification, market share expansion, and competitive positioning (Hossain, 2021). However, these motives can have a significant impact on the success of the M&A, and therefore, it is important to assess their impact on the decision-making process.

Firstly, assessing the impact of M&A motives can help banks identify potential risks and challenges that may arise during the integration process. For instance, if the motive for M&A is to achieve cost savings, a bank needs to evaluate the operational and cultural differences between the two entities to identify potential synergies and areas for efficiency improvements.

Secondly, assessing the impact of M&A motives can also help banks determine the right strategy and approach for the integration process. For example, if the motive for M&A is to expand market

Table 1: M&A Motives, Adapted from Brouthers et al. (1998)

Economic motives	Individual motives	Strategic motives
• Economies of scale of Marketing	• Increasing sales	• Pursuit of market power
• Increase profitability.	• Managerial challenge	• Accessing a competitor's knowledge
• Spreading Risk	• Acquisitioning of other management	• Accessing raw materials
• Cost reduction	• Enhancing managerial prestige	• Creation of barriers to entry
• Technical economies of scale		
• Differential valuation of target		
• Defence mechanism		
• Responding to market failures		
• Create shareholder value		

Table 2: Motives for cross-border mergers adapted from Buckley and Ghauri (2002)

Strategic Objectives	National Differences	Scale Economies	Scope Economies
To Achieve Efficiency in Current Operations	Benefiting from differences in factor costs in wages and cost of capital	Expanding and exploiting potential scale economies in each activity	Sharing of investments and costs across products, markets, and businesses
Managing Risks	Managing different kinds of risks arising from market or policy introduced changes in comparative advantages of different countries	Balancing scale with strategic and operational flexibility	Portfolio diversification of risks and creation of options.
Innovation, Learning and Adaptation	Learning from social differences in organizational and managerial processes and systems	Benefiting from experience cost reduction and innovation	Shared learning across organizational components in different products, markets, or businesses

share, the bank may need to focus on marketing and distribution channels to consolidate its position in a particular market.

Thirdly, analyzing the impact of M&A motives can help in setting realistic expectations and objectives for the integration process. For example, if the motive for M&A is to achieve revenue growth, the bank needs to analyse the potential revenue synergies and market opportunities to set realistic growth targets.

Finally, assessing the impact of M&A motives can help banks evaluate the long-term sustainability of the M&A. For instance, if the motive for M&A is to diversify the bank's portfolio, it is essential to evaluate if the acquired entity is a strategic fit for the bank's long-term strategy.

In conclusion, assessing the impact of M&A motives is an essential step in the decision-making process for banks. It helps banks identify potential risks and challenges, determine the right strategy, set realistic objectives, and evaluate the long-term sustainability of the M&A.

2. LITERATURE REVIEW

Merger and Acquisition arise as two entities readily decide to cooperate with each other by aggregating their assets, liabilities, and interests on a relatively equal basis, intersecting dissimilar entities and sectors. Achievements of differences arise as one company owns and assumes on the activities of another entity. The words Mergers and Acquisitions are exchangeable on a second-hand basis as the result is the same – one corporation assumes ownership over another (Halperin and Bell, 1992), and the firm's activity is often referred to as Merger and Acquisition (M&A).

2.1. Merger and Acquisition Motives

Several surveys have shown that M&A is happening rapidly in all fields, and is a need, particularly after the financial crisis of 2008. In many countries reforming and taking over the domestic banking sector is an significant part of this agenda. For example, in July 1999, the Central Bank of Malaysia announced its initial major restructuring plan for the Malaysian banking sector (Sufian and Habibullah, 2014). In this case, Malaysia's central bank has placed pressure on banks to create a merger and raising the number of banks. Believing in this plan, this would improve the country's growth and strengthen the potential to contend in the global marketplace with larger nations.

Brouthers et al. (1998) concluded that there are three widely accepted fusion incentive groups, fiscal, human and tactical. Indeed, the most common explanations for mergers or acquisitions have ended up being the concept of economic incentives in search of significant transactions on an open-market enterprise. As both the goal of improving the corporate sector (strategic motivation) and the rise in the amount of offers (personal motivation) were among the five major factors behind the convergence of the same report, it seems as though the organizations had different objectives in the merger of companies, as seen in the following table:

2.2. Economic Motives

Ali-Yrkkö (2002) further highlights the economic reasons of mergers, stating that mergers take effect primarily when businesses are searching for economic gains. An economic trigger where firm action is the consequence of the belief that firm uses its income or shareholder value. Nonetheless, the pursuit of benefit or market interest is with vast general a motivation for an acquisition, because it does not reveal whether the acquisition or sale would maximize profit or benefit. When it comes to Cost discounts, Interaction is also viewed as a proxy for cost advantages. Of this reason, mergers are conducted in order to maximize expense savings. Possible performance benefits cover both fixed and rising expenses. Financial results may be enhanced by reducing interconnecting expenses such as operating costs and IT spending.

2.3. Strategic Motives

According to Brouthers et al. (1998), market Power grows as companies merge to achieve more control. If the transaction is big enough, the safe wins a position higher than anticipated. Indeed, if wide markets exist, such a business can set prices above marginal costs but still below minimum. For example, major mergers and acquisitions provide exposure to shield rivals.

They also indicated that in addition to having access to resources, products and distribution networks, the method for combining purposes also needs exposure to know-how such as technological, spatial, or decision-making details. Indeed, cross-border mergers will provide a way to obtain know-how visibility. For companies with limited international visibility, cross-border mergers are perfect way to gain region's exact know how.

2.4. Personal Motives Affecting Decision-Making

The theoretical foundation for decision-making may be found in the philosophy of the key organization, where corporate executives are identified as agents on behalf of the company's shareholders (principal). Service problems arise while the company's ownership and power become removed. These issues exist when owners and management have various priorities, so optimal arrangements between shareholders and executives cannot be specified.

According to Badik (2007) who addressed these motivations, where two parties separated the motives. First, the firm's degree of commitment helps to increase the firm's shareholder interest. The second reason is a mixture of external influences, such as policy, globalization, technology, environment and money market, which significantly changed the banking sector's landscape, generating appetite for investment in the banking sector, as understood by the rise in recent M&A activities. For the most part, the fundamental reasons that allow directors combine with or absorb another company can be represented with a maximization meaning, with the intention of raising the acquiring firm's estimate, which combines hubris thought processes by cooperation, thinking processes and non-esteem growth, manifesting the decision-making mechanism.

Badik (2007) also indicated that synergy is the most debated reason for the choice to combine or establish a joint venture with another company, enabling not just one big business, but two companies to complement each other and offer additional advantages that add to the competitiveness of the entire new entity. Performance philosophy differentiates between three synergies. Operational, political, managerial.

The study conducted by Ibrahimi et al. in 2021 conducted a comprehensive analysis of 610 operations spanning 15 years to examine the process of value creation in mergers and acquisitions, specifically in the MENA region. The findings demonstrate that, on the whole, mergers and acquisitions tend to generate greater value for the organizations being acquired rather than the organizations making the acquisitions. Additionally, they determined that investors in the MENA region respond favourably to mergers, which are seen as tactics to enhance the influence of the newly formed entity and consequently optimize both immediate and future earnings. This approach offers a competitive edge and leads to an increase in market share.

Da Costa et al. (2021) conducted a study involving fifteen interviews with seasoned professionals from various fields of mergers and acquisitions. Their findings suggest that managers and organisations should pay greater attention to the issue of managerial hubris, specifically in relation to the estimation of synergies and excessive optimism. Hence, ensuring that professionals do not have any emotional biases in the transactions. To enhance the decision-making process, it is crucial to refrain from relying on heuristics and instead employ rational data calculations through the adoption of explicit and standardised methodologies.

Kumar and Sengupta (2021) state that a potential merger and acquisition (M&A) deal requires careful planning and allocation of resources to achieve desired results. The management's ability to evaluate and incorporate new information during the negotiation process significantly influences their negotiating power in an M&A deal. The motives of the M&A process are influenced by individuals' individual characteristics, such as narcissism, as well as their experience, education, and networking.

The study conducted by Suryaningrum et al. (2023) uncovered the significance of the acquirer's managerial competence in mergers and acquisitions, considering both short- and long-term performance and the specific type of M&A. It is crucial for the acquirer to effectively utilize firm assets to continue to uphold and enhance competitiveness and sustainable advantages. The success of a merger and acquisition could be dependent on the managers' capacity to make strategic decisions.

There are many growing ways to separate or raising an organization's cost. Cutting cuts include shutting redundant offices, combining computer technology and back-office operations, promotion expenditure reductions, increased productivity, and operating costs. Or, to put it another way, potential savings would favour the combined company itself, enabling the integrated business to leverage goods or services to optimize the bank's size. For example, big banks have different goods than small banks. And if these two banks have merged or replaced a larger bank, they would still use small banks' goods and services.

In fact, risk diversification is one of the most critical factors banks want to follow a merger or acquisition strategy. Where the company can diversify by purchasing different types of service lines or portfolios. Diversification is the geographic merger or acquisition sector. Buckley and Ghauri (2002) analysed mergers and acquisitions through boarders, which can also be synergistic. These objectives are listed in the Table 2.

2.5. Non-Value Maximization Motives

Merger success rates demonstrates that often mergers and acquisitions do not accomplish their goals. The Agency's perception is that, instead of leveraging shareholder wealth, executives are manipulating their own. Executives tend to optimize their personal gains, such as bonuses, strength, compensation and recognition. Executives are creating errors in overestimating the valuation of target firms. Therefore, where there are no competing forces, they will engage in mergers. Hubris a competition does not, in fact, imply that chief executives are resistant to shareholders, However, when the excitement of executives is structured, securing can be short-lived and can also cause damage to shareholders value. Buckley and Ghauri (2002).

2.6. External Motives and Factors

In banks' mergers and acquisition, the finding of Huang et al. (2011), Devos et al. (2016) and Shi et al. (2017) indicated that size matters as seen the smaller the bank it performed better in the process due to scale. It was found that M&As created by smaller banks have performed better than ones created by larger banks. On the other hand, Radić et al. (2012), Al-Khasawneh (2013) and Aghimien et al. (2016) argued that Large banks tend to be more efficient than small banks especially in value-maximizing mergers. Moreover, Level of capitalization and funding in the banks also is an important factor in efficiency, the more capital and liquidity the bank has the harder it is to maximize efficiency were profitability and income diversification positively linked to efficiency, while over liquidity is negatively influencing efficiency. This is supported by the finding of Huang et al. (2011), Hasan et al. (2012), Radić et al. (2012), Azad et al. (2017), McKee and Kagan (2018) and Aghimien et al. (2016).

After the restructuring and consolidation, management efficiency of banks significantly differs after the merger process. This is supported by the findings of Halkos et al. (2016), Shi et al. (2017), Al-Khasawneh, (2013). Boucinha et al. (2013) and Devos et al. (2016). Positive outcomes of mergers are seen as technological improvement, reduction of costs through economies of scale or through product mix shifts, have improved the efficiencies of banks after the merger process. The influence of the macroeconomic and environmental variables on the inefficiency is significant in various ways as seen by Radić et al. (2012). But Azad et al. (2017) found out that inflation has no impact on local and conventional banks performance. Moreover, foreign or private influence on banks also contributed to increased efficiencies of banks in comparison to their peers in developing economies as the findings of Azad et al. (2017) and Chaluvadi et al. (2018).

According to Song et al. (2023), Rapid developments in Technology have significantly transformed financial processes and generated fresh competition from fintech companies and developing funding mechanisms though fintech companies has increased financial services competition levels. The reason was that that regulatory controls would help simplify financial structures, increase profitability, and promote competitiveness. These positive innovations culminated in an spike in cross-border mergers and acquisitions between UAE banks and the world. M&A practices are driven by developments in technology, especially lowered transmission costs and enhanced telecommunications infrastructure. Technology, seen as a driver for the recent boom in the banking sector, affected the infrastructure of the financial system by rising the expense of collecting, handling and utilizing data. Jiang et al. (2023) conducted a study on M&A events in mainland China from 2012 to 2020. They examined how the advancement of technology, specifically through digital finance, promotes M&A activities. The study found that this technological development has a significant positive impact on M&A activities, greatly increasing the likelihood of conducting M&A events. In their study, Kayani and Hakiman (2023) found that the use of technology by banks has a beneficial impact on their financial performance after the merger and acquisition process. Additionally, banks are anticipated to maintain their ability to innovate in digital banking, while also attracting more customers and carefully managing the costs associated with technology and digitalization infrastructure.

Hassan and Giouvris (2021) determined that regulatory supervision plays a crucial role in stabilising the process and reducing significant systemic risk associated with banks' mergers and acquisitions (M&A) activities. Darayseh and Alsharari (2023) concluded that factors such as diversification, security and risk, and legal considerations play a crucial role in determining the path towards a successful merger and acquisition (M&A) in the banking sector. In addition, they stated that the motivations behind mergers and acquisitions in financial institutions stem from banks' deliberate choice to enhance their financial standing, while also responding to external influences such as economic, legal, and political systems, as well as government and technological advancements.

Finally when it comes to addressing the above factors that influence efficiency in mergers and acquisitions, heterogeneity, cost efficiency, geographical area, and other environmental variables have a major impact on a banks in a cross-border M&A, but no effect on domestic ones, while the resulting higher efficiency of a bank has a positive impact on cross-border mergers, but a negative impact on the probability of domestic ones as indicated by Caiazza et al. (2016). Delice and Karadas (2022) analysed banking system stability in Kazakhstan during the post-2008 period. They employed four different financial distress forecasting techniques and discovered that the banking sector was greatly impacted by the 2008 crisis. Furthermore, they found that the stability of the banking sector in Kazakhstan is inadequate, resulting in significant damage. Additionally, the Covid-19 pandemic had detrimental effects, leading to a high level of non-performing loans.

Based on discussed theories, this leads to recognise types of mergers: horizontal, vertical, or conglomerate. Horizontal merger happens as a corporation merge with industry rivals in order to achieve the moderate benefits of a greater scale and scope. As such, mutual mergers usually arise between two firms in similar business focus. A clear example of that is the merger between FGB and NBAD in 2018. Perpendicular merger happens between two entities delivering services for one specific segment when two or more businesses, existing at distinctive levels within the production network, combine their operations together, such as in the merger between DIB and Noor Bank in 2019. The third type is conglomerate mergers, involving two separate firms. The most important catalyst behind a combination of such merger is the variability in capital investment or to expand in other regional markets, such as the acquiring of majority ownership in CBI by QNB in 2008.

2.7. Selected Variables

Based on the pervious discussion it has been decided to choose the following variables that influence the decision-making process of a merger and acquisitions transactions to be applied on the transactions performed in the UAE banking sector, from a general understanding the External factors shall have the macro-level decision that will be driving the general motives to conduct an M&A strategy, while the internal factors would have the micro-level influence on how an M&A transaction will be conducted as per Figure 1 below describing the process of factors influencing a M&A decision making process. Based on the pervious discussion the following variables were selected for this systematic review:

A. External Factors (independent variables)
1. Regulation
2. Globalization
3. Technology
4. Economic
5. Other Factors

B. Internal Factors (dependent variables)
1. Synergy Motives
2. Agency & Managerial Motives
3. Hubris Motives

3. RESEARCH MODEL, METHODOLOGY, AND DESIGN

3.1. Research Model

Based on the pervious discussion it has been decided to choose the following variables that influence the decision-making process of a merger and acquisitions transactions to be applied on the transactions performed in the UAE banking sector, from a general understanding the External factors shall have the macro-level decision that will be driving the general motives to conduct an M&A strategy, while the internal factors would have the micro-level influence on how an M&A transaction will be conducted. Based on the previously mentioned variable selection, a designed a research model is developed to highlight the impact of these variables on the decision-making process of a merger and acquisition transaction in the UAE Banking sector as shown in the Figure 2:

3.2. Research Methodology:

Based on a review of several studies, numerous competence measurement procedures were used to assess the impact of acquisitions and mergers motives by measuring the impact of external and internal M&A factors influencing the M&A decision-making process in various industries such as banking, hospitals and other industries. The same tools can also be used to assess the impact of acquisitions and mergers motives on the UAE banking sector. Pazarskis et al. (2022) indicated that many companies are examined with several general methodologies: (i) surveys of executives, (ii) event studies, (iii) accounting studies. As the last two rely heavily on examination of real data and elements, while the first methodology relies more on the acceptance and examination of the subjective perception of managers' human characters. According to (Bruner, 2002). The methodology of surveys of executives is recommended and applied by examining senior business executives either through interviews or through questionnaires and whatever data is generated, is recorded, and statistical analysis is performed to generate results. Therefore, the methodology of surveys of executives to be used in performing this research.

3.3. Research Design

To deport the analysis, a quantitative testing tool was chosen. Quantitative work does trials or association studies. Quantitative work also requires supporting or rejecting a null hypothesis. Furthermore, this enables exploring crucial new problems and concerns when they emerge and enables researchers to remove unproductive study areas from the initial research program. However, qualitative methodology is used when analyzing various variables from a few banks when we have a small

Figure 1: Factors influencing a M&A decision making process

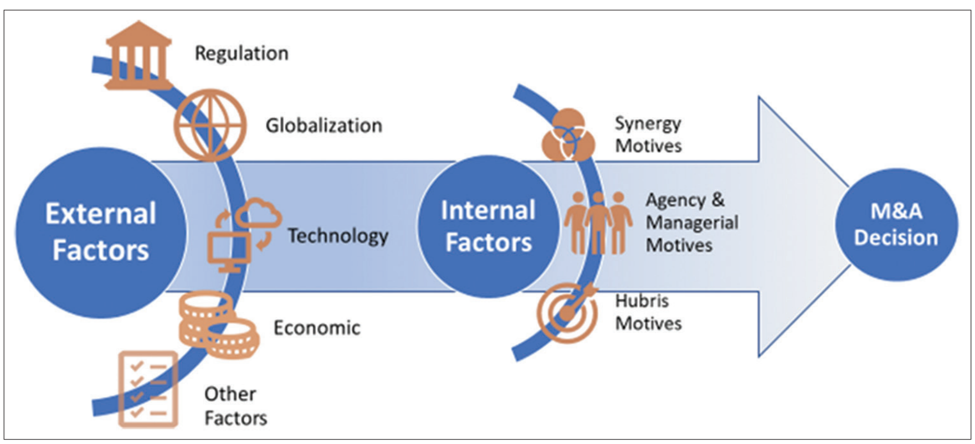
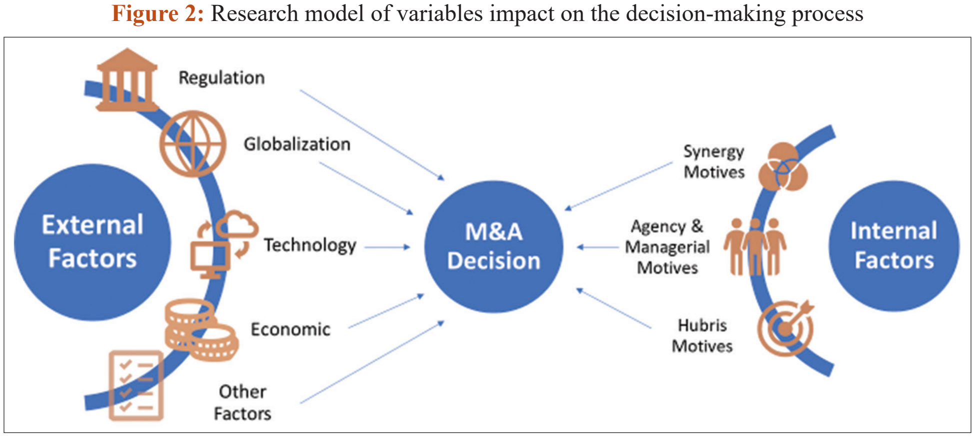


Figure 2: Research model of variables impact on the decision-making process



number of acquisitions and mergers over UAE in the past decade. Limiting the scope to fully grasp the data gathered and the issue analyzed. A quantitative analysis methodology is chosen as the aim of this thesis is to determine the effect of mergers and acquisitions motivations to achieve a competitive edge in the UAE banking sector. Furthermore, as to transmit primary data from a finite range of banks that have combined during the past decade, it is suggested that a quantitative analysis methodology is better balanced in tandem with qualitative method.

The plan is to gather primary data by regular interviews with senior banking personnel participating in transactions as the key data collection method. Data from books, past research, papers and peer reviewed articles examined. The aim of this strategy was to calculate the effect of mergers and acquisitions on the UAE banking sector. Only taking into consideration the past fifteen years and the reasons behind the mergers and acquisitions occurring over that time. All that from utilizing the data to obtain, which is the results of regular interviews with senior bankers.

3.4. Study Population

The study population contained of the managerial level in UAE banks targeting the people involved in the mergers or acquisitions during the last 18 years. As previously mentioned, the number of banks involved in such activities was almost ten banks indicated in Table 3. And if we look at the number of people elaborate in the Merger and Acquisition activities, it will not exceed the top management and the Head of departments in each bank of the eight. Therefore, the population should be in the following positions: First, all Chief's levels like, CEO, COO, CRO, and CAO. Second, all Head of Departments; like, Head of Retail, Head of Finance, Head of Support units, Head of Legal, Head of Corporate Banking, Head of Risk, Head of Audit, Head of Compliance, Head of Investment and Head of Treasury. If we look at the number of Banks in the scope, we have a total of 10 banks. And by taking the average of 10 for each bank as just mentioned. Then, the total population of the study is 100.

3.5. Study Sample

The systematic interview technique was used to look for the views of the respondents on the impact of Acquisitions and Mergers' motives on the UAE Banking Sector. Purposive sampling method was selected to assess the number of interviews needed because the standard chosen allowed the study to concentrate on people who experience, have the knowledge on the impact of Acquisitions and Mergers' motives on the UAE Banking Sector. A purposive sample in conducting systematic interview is method for the researcher to create a selected sample (not randomly chosen). In other words, it is targeting a group of people. The significance of purposive sampling is by selecting information cases, in-depth analysis related to the problem being studied. The sample of the study was selected based on the managerial level on those Banks that were involved in merger or acquisitions activities in the past 18 years. The total number of participants was (15), which is 15% of the population previously calculated.

3.6. Descriptive Method

Interviews were conducted with 15% of the target population. The descriptive research method was involved. Descriptive method of research gathers information about the present prevailing condition. The purpose of applying this technique was to describe the nature of the situation, as it exists at the time of the study and to explore the particular working phenomenon. This method was selected to obtain firsthand data from the interviewed senior bank staff se to formulate rational and sound conclusions and recommendations for the study. When the targeted participants were chosen from a defined population, confirming that the number of respondents is sufficient to make statistical inferences about the sampling population itself from which they were fair enough to quantify the size of its importance and significance.

3.7. Data Collection Instruments

To sufficiently discourse the research questions a variety of data collection methods and instruments will be used. These methods and instruments are not specific to any one question but deliver data that when used in combinations will address the research questions. There are potentials telephone interviews performed

Table 3: List of M&A transactions in the UAE (2005-2021)

No.	Aquiring Entity	Aquaired Entity	Name of New Entity	Year
1	Dubai Islamic Bank	Bank of Khartoum	Bank of Khartoum	2005
2	Union National Bank	Alexandria Bank	Union National Bank	2006
3	Emirates Bank	National Bank of Dubai	Emirates NBD Bank	2007
4	Commercial Bank of Qatar	United Arab Bank	United Arab Bank	2007
5	Dubai Financial Group	Bank Muscat Al Ahli Al Omani	Bank Muscat	2007
6	Abu Dhabi Islamic Bank	National Development Bank	Abu Dhabi Islamic Bank	2007
7	Bank of Sharjah	Emirates Lebanon Bank	Emirates Lebanon Bank	2008
8	Qatar National Bank	Commercial Bank International	Commercial Bank International	2008
9	Abu Dhabi Commercial Bank	Royal Bank of Scotland	Abu Dhabi Commercial Bank	2010
10	Dubai Islamic Bank	Tamweel Finance	Dubai Islamic Bank	2011
11	Emirates Islamic Bank	Dubai Bank	Emirates Islamic Bank	2012
12	Emirates NBD Bank	BNP Egypt	Emirates NBD Bank	2013
13	First Gulf Bank	National Bank of Abu Dhabi	First Abu Dhabi Bank	2017
14	Abu Dhabi Commercial Bank	Union National Bank	Abu Dhabi Commercial Bank	2018
15	Abu Dhabi Commercial Bank	Al Hilal Bank	ADCB Group	2018
16	Dubai Islamic Bank	Noor Bank	Dubai Islamic Bank	2019
17	Emirates NBD Bank	Deniz Bank	Emirates NBD Bank	2019
18	Commercial Bank of Dubai	Majid Al Futtaim Finance	Commercial Bank of Dubai	2021

with the subject- matter-experts, based on literature reviews, and experimental research model design.

3.8. Interviews

Interview is an information-gathering technique which allows to gather attitudes, beliefs, and characteristics from several key people in the organization who may be affected by the current and proposed system. The method that has been used in conducting this study is a quantitative approach which involved systematically interviewing of management level only to generate amount of data about the impact of Acquisitions and Mergers' motives on the UAE Banking Sector. The interview was chosen in this research to determine the relationship of one variable with another variable through about the impact of Acquisitions and Mergers' motives on the UAE Banking Sector as it is the most appropriate method for dealing with the research questions in order to achieve research's objectives.

3.9. Data Analysis and Results

The analysis of the results of the study to be done through the presentation of the responses of the study sample to the questions, and processed statistically, leading to the results, analysis, and interpretation in the light of the theoretical frameworks for the study on the methods in assessing the impact of Acquisitions and Mergers' motives on the UAE Banking Sector.

It is concerned with the analysis, discussion, and representation of results. It is structured into sub-headings: demographic characteristics of respondents, the impact of Acquisitions and Mergers' motives on the UAE Banking Sector with the Frequency table, followed by its discussion, and analysis. The primary research is based on selected systematic interviews conducted among management who was exposed to Acquisitions and Mergers occurred withing the banks in the UAE. These interviews were coded in a frequency table and analyzed. The flowing question were developed for the interview of experts as shown in Table 6.

Table 4: List of UAE banks of M&A TRANSACTIONS for (2005-2021) for target interviews

No.	Name of Bank	Bank Type	Bank Size
1	First Abu Dhabi Bank	Conventional	Large
2	Emirates NBD Bank	Conventional	Large
3	Abu Dhabi Commercial Bank	Conventional	Large
4	National Bank of Abu Dhabi	Conventional	Large
5	National Bank of Dubai	Conventional	Large
6	Dubai Islamic Bank	Islamic	Large
7	Abu Dhabi Islamic Bank	Islamic	Large
8	Commercial Bank of Dubai	Conventional	Meduim
9	Emirates Islamic Bank	Islamic	Meduim
10	Bank of Sharjah	Conventional	Small
11	Commercial Bank International	Conventional	Small
12	United Arab Bank	Islamic	Small

3.10. Scale Validity and Reliability

Validity is measuring how healthy a survey is based on what it sets out to measure, in this research, the validity of the data collected during the interviews, the number of years for which the respondents had been exposed to their bank has a significant result. Majority of employees have been working for their bank for 20-30 or more years will be targeted through the content validity where some of expert managers in the banking sector will answer the interview questions. Therefore, they will make a subjective measure of how suitable the items seem to a set of reviewers who have information of the subject itself.

From the list of UAE Banks of M&A Transactions for (2005-2021) for target interviews shown in Table 4 below the experts were chosen to represent the following banks involved in these M&A Transactions:

3.11. Demographics of Interviewed Experts

The number of years of experience in the banking sector tells us about how the management perceive the banking sector in several ways. Table 5 also shows the positions of respondents, this is an indication of their managerial level in the bank and its executives. The results came up with logical numbers representing the

Table 5: Demographics of interviewed experts

Demographics	Nationality (1-UAE/2-Expat)	Title (1-CEO/2-TOP/3-Mgt)	Bank Type (1-Islamic/2-Conventional)	Bank Size (1-L,2-M,3-S)	Years of Experience (30+/20-30/10-20)
1	UAE	H O Risk	Conv	L	30+
2	Syrian	H O Legal	Conv	M	20-30
3	UAE	CEO	Islamic	L	30+
4	UAE	H O Risk	Conv	L	10-20
5	UAE	COO	Conv	L	30+
6	UAE	MD	Conv	S	20-30
7	UAE	H O Wealth	Conv	L	20-30
8	UAE	COO	Conv	M	10-20
9	UAE	CEO	Islamic	M	30+
10	UAE	COO	Conv	L	30+
11	UAE	CIO	Islamic	L	30+
12	Egyptian	H O Legal	Conv	S	20-30
13	British	MD	Conv	L	30+
14	Australian	CEO	Islamic	S	30+
15	UAE	Reg Dir	Conv	L	20-30
Cat 1	73%	33%	73%	60%	53%
Cat 2	27%	33%	27%	27%	33%
Cat 3	NIL	33%	NIL	13%	13%

Table 6: Expert responses

Nationality	Title/Management level	Bank type	Bank size	Years of experience	Part 1							Part 2		
					1.1	1.2	1.3	1.4	1.5	1.6	1.7	2.1	2.2	2.3
UAE	Head of Risk	Conventional	Large	30+Years	4	4	4	5	4	3	5	4	2	3
Syrian	Head of Legal	Conventional	Medium	20-30 Years	4	2	4	1	5	5	5	4	5	4
UAE	CEO	Islamic	Large	30+Years	5	4	3	5	5	5	5	4	5	5
UAE	Head of Risk	Conventional	Large	10-20 Years	3	3	5	4	4	3	3	4	4	4
UAE	COO	Conventional	Large	30+Years	4	4	5	5	5	4	4	3	4	4
UAE	Managing Director	Conventional	Small	20-30 Years	5	5	5	4	5	3	3	3	3	5
UAE	Head of Wealth	Conventional	Large	20-30 Years	3	1	4	2	4	3	3	2	3	2
UAE	COO	Conventional	Medium	10-20 Years	4	3	5	2	4	2	2	2	3	4
UAE	CEO	Islamic	Medium	30+Years	4	5	4	2	2	3	1	4	5	3
UAE	COO	Conventional	Large	30+Years	5	4	5	4	5	5	5	5	2	4
UAE	CIO	Islamic	Large	30+Years	3	3	4	5	4	2	1	4	5	5
Egyptian	Head of Legal	Conventional	Small	20-30 Years	4	5	4	5	5	2	2	4	5	5
British	Managing Director	Conventional	Large	30+Years	5	5	5	2	4	5	3	5	5	3
Australian	CEO	Islamic	Medium	30+Years	2	5	4	5	2	4	4	3	2	3
UAE	Regional Director	Conventional	Large	20-30 Years	2	5	3	5	5	3	2	3	4	4

Nationality	Part 2								Part 3				Part 4					
	2.4	2.5	2.6	2.7	2.8	2.9	2.10	2.11	3.1	3.2	3.3	3.4	4.1	4.2	4.3	4.4	4.5	4.6
UAE	4	5	2	4	4	5	2	4	5	3	4	5	3	2	3	4	5	3
Syrian	4	4	5	4	5	4	3	5	4	4	4	4	4	4	5	4	5	3
UAE	5	4	5	5	5	5	4	5	5	4	5	5	4	5	5	4	5	5
UAE	4	4	4	4	4	4	4	4	4	4	4	5	5	3	4	4	5	5
UAE	4	3	4	3	4	5	4	5	4	4	5	5	4	4	4	4	4	4
UAE	4	4	4	4	4	5	5	3	3	4	4	4	4	4	4	4	4	4
UAE	3	2	2	1	4	3	4	4	4	4	4	4	2	2	4	4	4	2
UAE	3	2	2	3	3	4	4	4	4	2	2	4	4	2	3	4	4	2
UAE	4	3	1	2	3	1	4	4	5	3	1	1	4	2	4	5	5	5
UAE	4	5	2	4	4	5	5	5	5	4	3	5	4	2	4	4	5	5
UAE	2	1	1	3	4	5	5	4	5	4	5	4	4	3	4	5	5	5
Egyptian	2	1	1	4	4	5	5	4	3	2	4	3	3	2	4	5	2	4
British	3	4	4	2	5	2	5	5	5	3	5	5	5	5	4	4	4	5
Australian	2	3	2	2	4	4	3	2	5	3	5	4	4	2	4	5	5	5
UAE	2	3	5	3	2	4	2	4	3	4	5	2	4	2	4	5	5	5

Table 7: Frequency table

Questions / Interview No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Score
Q1: Rate the below Motives (5 being the most influencing)	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
1. To Accelerate growth of the acquiring or merging the bank	4	4	5	3	4	5	3	4	4	5	3	4	5	2	2	57
2. To Comply with Regulatory and international standards (Basel III)	4	2	4	3	4	5	1	3	5	4	3	5	5	5	5	58
3. To Utilize synergistic attributes of the bank (value and performance of two banks' combined will be greater than the	4	4	3	5	5	5	4	5	4	5	4	4	5	4	2	63
4. To accomplish the personal goals, vision, and objectives of the acquiring the bank's chief executive	5	1	5	4	5	4	2	2	2	4	5	5	2	5	5	56
5. To enlarge the acquiring the bank's customer base by extending products and services	4	5	5	4	5	5	4	4	2	5	4	5	4	2	5	63
6. To Utilize globalization attributes of trade to the bank	3	5	5	3	4	3	2	2	3	5	2	2	5	4	3	51
7. To Utilize recent technology development to the bank value and performance	5	5	5	3	4	3	2	2	1	5	1	2	3	4	2	45
Q2: Post-Acquisition Management (5 being the most influencing)	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
1. Establishing a post-acquisition strategy early in the process	4	4	4	4	3	3	2	2	4	5	4	4	5	3	3	54
2. Develop a formal integration plan by top management teams of both banks	2	5	5	4	4	3	3	3	5	2	5	5	5	2	4	57
3. Move rapidly as planned	3	4	5	4	4	5	2	4	3	4	5	5	3	3	4	58
4. Linking the compensation to improve the cash flows	4	4	5	4	4	4	3	3	4	4	2	2	3	2	2	50
5. Immediate announcement of career plans (i.e., key roles)	5	4	4	4	3	4	2	2	3	5	1	1	4	3	3	48
6. Identify and retain key employees and managers of the target	2	5	5	4	4	4	2	2	1	2	1	1	4	2	5	44
7. Establishing new performance appraisal programs	4	4	5	4	3	4	1	3	2	4	3	4	2	2	3	48
8. Establishing an efficient resource allocation system	4	5	5	4	4	4	4	3	3	4	4	4	5	4	2	59
9. Establishing new procedures for building common tools, practices and processes.	5	4	5	4	5	5	3	4	1	5	5	5	2	4	4	61
10. Identify a new set of opportunities for enhancement of competitive position of the new bank.	2	3	4	4	4	5	4	4	4	5	5	5	5	4	2	61
11. Establishing a new set of competitive methods (i.e., portfolios of products /services) of the new bank.	4	5	5	4	5	3	4	4	4	5	4	4	5	2	4	62
Q3: Post-Acquisition Performance Evaluation (5 being the most influencing)	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
1. Accounting Profits (i.e., ROE, ROI, ROA, ROS)	5	4	5	4	4	3	4	4	5	5	5	3	5	5	3	64
2. Stock price changes surrounding the deal announcement dates	3	4	4	4	4	4	4	2	3	4	4	2	3	3	4	52
3. Stock price changes at 1 or more years after the deal is announced	4	4	5	4	5	4	4	2	1	3	5	4	5	5	5	60
4. Market share gains (or losses)	5	4	5	5	5	4	4	4	1	5	4	3	5	4	2	60
Q4: Critical factors on UAE Economy in the past 15 years? (5 being the most influencing)	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	
1. The global Financial crisis took a heavy toll on UAE banks.	3	4	4	5	4	4	2	4	4	4	4	3	5	4	4	58
2. UAE's financial markets suffered from lack of liquidity.	2	4	5	3	4	4	2	2	2	2	3	2	5	2	2	44
3. The increased cost and reduced availability of financing have direct consequences for the commercial real estate market in	3	5	5	4	4	4	4	3	4	4	4	4	4	4	4	60
4. Financial crisis revealed important regulatory and supervisory challenges in the UAE on banks, especially Basel	4	4	4	4	4	4	4	4	5	4	5	5	4	5	5	57
5. Weaknesses in risk management practices in some banks led to a larger decline in profitability.	5	5	5	5	4	4	4	4	5	5	5	2	4	5	5	65
6. The impact of Covid 19 on economic activity in UAE.	3	3	5	5	4	4	2	2	5	5	5	4	5	5	5	62

management and the executives involved in the activity of mergers and acquisitions. That tells us that the number of interviewed experts has covered all managerial levels so the survey could give an indication of validity.

This section presents the profile and demographics of the participants in this study. Of the interviewed experts is 73% of the total number are UAE Nationals, while 27% are expatriates. In terms of position, we can see that one third were holding CEO or MD positions, two thirds for the lower tier categories were top management or directors of departments. The type of banks was mixed as we see that 73% of these executives were working for conventional banks while the remaining 27% worked for Islamic ones. The banks sizes also varied from large with 60%, 27% for mediums sized banks and 13% who worked for smaller banks. When it comes to banking experience, we notice that more than half (53%) of these experts were working for 30 years and above with the banking sector. While (33%) worked for medium size banks for 20-30 years, and the minority, which is only 13%, were working for 10-20 years.

3.12. Data Coding and Categorizing

The data was organized in a way that would be able to gauge the influence of these external and internal factors on the banking mergers and acquisitions by creating a scale of influence as seen by the experts, creating expert responses and frequency tables as exhibited in Tables 6 and 7. Then this scale was quantified in a score, based on that an influence rate was generated to reflect a quantitative description of the influence rate. Then the factors were identified and categorized according to their influence rate on the merger & acquisition decision making process as exhibited in analysis Table 8.

4. DISCUSSION

As seen in analysing the results of the data extraction of the 15 interviews in Table 6, In the first question the respondents were asked to rate the most influencing main motives that would influence the decision process for mergers and acquisitions in the UAE banking sector; two factors: to utilize synergistic attributes of the bank (value and performance of two banks' combined will be greater than the sum), and to enlarge the acquiring the bank's customer base by extending products and services topped the list both with 84%, then it was followed by complying with Regulatory and international standards (Basel III) with 77%. Accelerating growth of the acquiring or merging the bank came closely at the third places of influence at 76%, while accomplish the personal goals, vision, and objectives of the acquiring the bank's chief executive had and important rate of 75%. To Utilize globalization attributes of trade to the bank set at 68% while utilizing recent technology development to the bank value and performance didn't score that importance with a low influence rate of 60% (Table 9).

When asked about Post-Acquisition Management activities conduced, four main activities topped the list, Identification of a

Table 8: Analysis of influencing factors rates

Interview Questions	Total Score	Average Response	Influence %
Q1: Rate the below Motives (5 being the most influencing)			
1. To Accelerate growth of the acquiring or merging the bank	57	3.80	76
2. To Comply with Regulatory and international standards (Basel III)	58	3.87	77
3. To Utilize synergistic attributes of the bank (value and performance of two banks' combined will be greater than the sum)	63	4.20	84
4. To accomplish the personal goals, vision, and objectives of the acquiring the bank's chief executive	56	3.73	75
5. To enlarge the acquiring the bank's customer base by extending products and services	63	4.20	84
6. To Utilize globalization attributes of trade to the bank	51	3.40	68
7. To Utilize recent technology development to the bank value and performance	45	3.00	60
Q2: Post-Acquisition Management (5 being the most influencing)			
1. Establishing a post-acquisition strategy early in the process	54	3.60	72
2. Develop a formal integration plan by top management teams of both banks	57	3.80	76
3. Move rapidly as planned	58	3.87	77
4. Linking the compensation to improve the cash flows	50	3.33	67
5. Immediate announcement of career plans (i.e., key roles)	48	3.20	64
6. Identify and retain key employees and managers of the target	44	2.93	59
7. Establishing new performance appraisal programs	48	3.20	64
8. Establishing an efficient resource allocation system	59	3.93	79
9. Establishing new procedures for building common tools, practices and processes.	61	4.07	81
10. Identify a new set of opportunities for enhancement of competitive position of the new bank.	61	4.07	81
11. Establishing a new set of competitive methods (i.e., portfolios of products/services) of the new bank.	62	4.13	83
Q3: Post-Acquisition Performance Evaluation (5 being the most influencing)			
1. Accounting Profits (i.e., ROE, ROI, ROA, ROS)	64	4.27	85
2. Stock price changes surrounding the deal announcement dates	52	3.47	69
3. Stock price changes at 1 or more years after the deal is announced	60	4.00	80
4. Market share gains (or losses)	60	4.00	80
Q4: Critical factors on UAE Economy in the past 15 years? (5 being the most influencing)			
1. The global Financial crisis took a heavy toll on UAE banks.	58	3.87	77
2. UAE's financial markets suffered from lack of liquidity.	44	2.93	59
3. The increased cost and reduced availability of financing have direct consequences for the commercial real estate market in UAE and secondary effects on banks and investors.	60	4.00	80
4. Financial crisis revealed important regulatory and supervisory challenges in the UAE on banks, especially Basel III.	57	3.80	76
5. Weaknesses in risk management practices in some banks led to a larger decline in profitability.	65	4.33	87
6. The impact of Covid 19 on economic activity in UAE.	62	4.13	83%

new set of opportunities for enhancement of competitive position of the new bank with a percentage of 83%, while establishing new procedures for building common tools, practices, and processes, and identifying a new set of opportunities for enhancement of competitive position of the new bank had an equal influence rate of 81%. Establishing an efficient resource allocation system (79%), Move rapidly as planned (77%), and Develop a formal integration plan by top management teams of both banks (76%) came as the second set of activities of importance for management post-merger, and Establishing a post-acquisition strategy early in the process (72%), While Linking the compensation to improve the cash flows (67%), both Immediate announcement of career plans (i.e., key roles) (64%), and Establishing new performance appraisal programs (64%) lagged behind in importance. Identifying and retaining key employees and managers of the target seems not to have much of importance with 59% rate.

The third question dealt of how these experts evaluation methods post-acquisition performance, Accounting Profits (i.e., ROE, ROI, ROA, ROS) was the most important methods, 85%, Stock price changes at 1 or more years after the deal is announced, and Market share gains (or losses), both came second at 80%, and finally stock price changes surrounding the deal announcement dates didn't seem to carry significance in weight in evaluating post-acquisition performance at 69%.

The final question was evaluating how experts viewed the most influencing critical factors on UAE Economy in the past 15 years. Weaknesses in risk management practices in some banks led to a larger decline in profitability was the most important at a rate of 87%, followed by the impact of Covid 19 on economic activity in UAE at (83%), and the increased cost and reduced availability of financing have direct consequences for the commercial real estate market in UAE and secondary effects on banks and investors at 80%. They also considered the global financial crisis took a heavy toll on UAE banks and financial crisis revealed important regulatory and supervisory challenges in the UAE on banks, especially Basel III as important factors at 77% and 76% influence rates respectively. While UAE's financial markets suffering from lack of liquidity wasn't seen of that much importance with a low influencing rate of 59%.

Table 9: Factors by influence order

Interview Questions	Influence %
Q1: Rate the below Motives (5 being the most influencing)	
3. To Utilize synergistic attributes of the bank (value and performance of two banks' combined will be greater than the sum)	84
5. To enlarge the acquiring the bank's customer base by extending products and services	84
2. To Comply with Regulatory and international standards (Basel III)	77
1. To Accelerate growth of the acquiring or merging the bank	76
4. To accomplish the personal goals, vision, and objectives of the acquiring the bank's chief executive	75
6. To Utilize globalization attributes of trade to the bank	68
7. To Utilize recent technology development to the bank value and performance	60
Q2: Post-Acquisition Management (5 being the most influencing)	
11. Establishing a new set of competitive methods (i.e., portfolios of products/services) of the new bank.	83
9. Establishing new procedures for building common tools, practices and processes.	81
10. Identify a new set of opportunities for enhancement of competitive position of the new bank.	81
8. Establishing an efficient resource allocation system	79
3. Move rapidly as planned	77
2. Develop a formal integration plan by top management teams of both banks	76
1. Establishing a post-acquisition strategy early in the process	72
4. Linking the compensation to improve the cash flows	67
5. Immediate announcement of career plans (i.e., key roles)	64
7. Establishing new performance appraisal programs	64
6. Identify and retain key employees and managers of the target	59
Q3: Post-Acquisition Performance Evaluation (5 being the most influencing)	
1. Accounting Profits (i.e., ROE, ROI, ROA, ROS)	85
3. Stock price changes at 1 or more years after the deal is announced	80
4. Market share gains (or losses)	80
2. Stock price changes surrounding the deal announcement dates	69
Q4: Critical factors on UAE Economy in the past 15 years? (5 being the most influencing)	
5. Weaknesses in risk management practices in some banks led to a larger decline in profitability.	87
6. The impact of Covid 19 on economic activity in UAE.	83
3. The increased cost and reduced availability of financing have direct consequences for the commercial real estate market in UAE and secondary effects on banks and investors.	80
1. The global Financial crisis took a heavy toll on UAE banks.	77
4. Financial crisis revealed important regulatory and supervisory challenges in the UAE on banks, especially Basel III.	76
2. UAE's financial markets suffered from lack of liquidity.	59

The study analysed data from 15 interviews in the UAE banking sector, focusing on the main motives that influence mergers and acquisitions decisions. The results of experts' responses provided answers to the research questions. The primary factors contributing to the success were leveraging the bank's synergistic attributes and expanding its customer base, with compliance to regulatory and international standards (Basel III) being a secondary factor. Additionally, achieving a growth rate of 76% was crucial, while the attainment of personal goals, vision, and objectives of the acquiring bank's chief executive had a significant rate of 75%. The impact of globalisation on trade and recent advancements in technology was not as significant, accounting for only 68%.

The highest ranked post-acquisition management activities, at 83%, include identifying new opportunities to improve competitive position, establishing efficient resource allocation systems, executing plans promptly, developing a formal integration plan by top management teams, and establishing a post-acquisition strategy early in the process. Compensating employees based on cash flow improvement was deemed important by 67%, whereas the identification and retention of key employees and managers was considered less significant at 59%.

Accounting profits were the primary means of assessing post-acquisition performance, with a significance of 85%. This was followed by stock price fluctuations at 80% and market share increases at 69%. The UAE banks were significantly affected by the global financial crisis, highlighting significant regulatory and supervisory challenges, particularly in relation to Basel III, with influence rates of 77% and 76% respectively. The lack of liquidity in financial markets was considered relatively unimportant, with only a modest influence rate of 59%.

To shed a light on the impact of covid 19 on economic activities affecting the banking sector, according to UAE central bank financial stability report for the year 2020, domestic household credit decreased by 0.9%, marking the second consecutive year of contraction. However, the rate of contraction was slower compared to 2019. Mortgages exhibited a favourable increase, whereas credit cards, car loans, and consumer loans declined. On the contrary, domestic household deposits experienced a significant growth of 9.5%, marking the highest increase in five years and continuing the trend of robust deposit expansion. Also, an in-depth examination of a selection of publicly traded companies in the UAE revealed that the financial health of non-financial corporations has generally remained balanced, although there has been a slight decline in their profitability.

5. CONCLUSION

The objective of this research is to review previous studies in order to identify the main factors influencing the decision-making process of M&A and, in particular, to investigate the impact of acquisitions and mergers on the UAE banking sector by measuring the identification and measurement of the effects of M&A on external and internal factors affecting the decision-making process and contexts of M&A. Previous literature studies provided valuable insights into the significant impact of Regulation, Globalization, Technology and Economics on M&A decision-making. However, there are many other factors that have less impact on the variable that could be examined in order to determine their impact on the M&A decision-making process. And, to assess the significant impact of Synergy, Agency & Management Motives on M&A decision-making. This review study is trying to highlight by analysing around 38 studies. The main findings are that main factors affecting the decision-making process of M&A are regulation, globalization, technology, economics. However, there are many other factors that have less impact on the variable that could be examined to determine their impact on the M&A decision-making process, also considering the significance of the impact of Synergy, Agency & Management Motives, as well as the internal factors of the M&A decision-making process.

The current global financial-related crises caused by the recent pandemic is formed by consolidating standard components of past monetary emergencies and some new elements. The emergency has exposed numerous insufficiencies in budgetary management and construction modelling, especially in the treatment of systemically critical monetary institutions, structural threat and risk evaluations, and money-related foundations. The sequence of M&A taking place in the UAE financial market over the past 15 years are seen in their motivations as increased efficiency in the post-merger era relative to the success assessment strategies either in equity values or through accounting benefit estimates. The qualitative effect of post-M&A practices on bank results will go beyond the influence of quantitative metrics (financial and economic metrics). It was noted that there is significant variation in output assessment. The research thus accomplished the goals established by evaluating the effect of mergers and acquisitions motivations on UAE banking decision-making processes. This study highlighted that performance conceptualization strategies and policies are procedural, physical, and socio-cultural elements. Procedural factors address systems and procedures integration to harmonize and standardize work processes.

In fact, the three major tools used to conceptualize, and measure output effects of post-M&A operations are accounting studies, business valuations and primary source definitions commonly recognized as qualitative metrics that are frequently utilized by strategic analysts. Such strategies require more work to determine their effect on real-life post-merger results.

The most influencing motives that would influence the decision process for mergers and acquisitions in the UAE banking sector; are to utilize synergistic attributes of the bank (value and performance of two banks combined will be greater than the sum), and to enlarge the acquiring the bank's customer base by extending products and services.

For Post-Acquisition Management activities conduced: Identification of a new set of opportunities for enhancement of competitive position of the new bank and establishing new procedures for building common tools, practices and processes had an equal influence. How these experts' evaluation methods post-acquisition performance, Accounting Profits (i.e., ROE, ROI, ROA, ROS) was the most important methods, for Post-Acquisition Performance Evaluation. While weaknesses in risk management practices in some banks led to a larger decline in profitability, impact of Covid 19 on economic activity and increased cost and reduced availability of financing have direct consequences for the commercial real estate market in UAE and secondary effects on banks and investors are considered as the most critical factors on UAE economy in the past 15 years.

6. RESEARCH LIMITATIONS

There is a broad variety of diverse considerations in determining the performance of mergers and acquisitions impacting the banking sector. The aim of the study, decided to be country-specific, which is UAE, and to concentrate on mergers and acquisitions that have taken place in particular banks over the last 15 years. Reflecting on the merger effect on the banking sector of the country where M&A is taking place. It is attributed to the reality that the evidence suggests that the pre-merge period and the deal are less interested with how the causes contribute to progress and failure with mergers and acquisitions. In other terms, the reflection on the post-merger effect and its responsibility to the banking sector.

7. POLICY IMPLICATIONS

As this research sought to provide an overview of the influence of factors influencing the decision-making cycle in UAE banking mergers & acquisitions by discussing the effect of such external and internal factors and by recommending their operational, physical, strategic and policy use, and accounting analyses, business assessments and main informant details as credible instruments or policies. Taking in mind the findings of factors influencing the decision-making cycle in UAE banking mergers & acquisitions, these to be studied carefully on the future planned mergers & acquisitions activities of both the acquiring and targeted entities to enable a smooth and efficient M&A transaction leading to improvement in new entity performance.

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